Centenary Thurles
Co-operative Society Ltd

NOV–DEC

NEWSLETTER 2018

NDC & Kerrygold National Milk Quality Awards

Congratulations to Tom, Mary & Michael Ryan of Lisheen Lower, Moyne who were last month announced as Runner-Up at the NDC & Kerrygold National Milk Quality Awards. It is due recognition for their efforts in producing top quality milk.

Pictured (l to r) at the Centenary Thurles Milk Quality Awards are **Tom, Mary & Michael Ryan**, Runner-Up at the NDC & Kerrygold National Milk Quality Awards 2018.

It is the sixth year since Centenary Thurles started to nominate for this particular award and each year our nominated supplier has reached the final, with now a Winner and Runner-Up in the six years.

Also pictured at the Centenary Thurles Milk Quality Awards are (l to r):

1. **John Martin** Centenary Thurles, **Catherine** and **Jimmy McGrath, Paddy Daly** Vice-Chairman Centenary Thurles

2. **Willie Joe Dwyer** (Judge), **Louise** and **Pat Cormack, Paddy Daly** Vice-Chairman Centenary Thurles

3. **John Joe Collier** (Judge), **Mary** and **Tommy Ormond, Noreen Barry** Vice-Chairman Centenary Thurles

4. **Eamonn Bergin** Centenary Thurles, **Ann** and **Thomas Dwan, Alice Brereton, Noreen Barry** Vice-Chairman Centenary Thurles

AHI Cell Check Awards

This year we have 14 suppliers nominated for Cell Check Awards having featured in the Top 500 nationally, 3 of whom reached the top 100. Our highest ranking supplier was at number 19. Each will receive a presentation and we would like to congratulate them on their excellent SCC levels.

Martin Cantwell Ballyerk, Templetuohy	**Don Leane** Athnid, Thurles
Martin Cleary Glasshouse, Shinrone	**Mervyn Lewis** Ballyhenry, Roscrea
Ann & Thomas Dwan Bohernamona, Thurles	**John Maher** Killough Avenue, Thurles
Ger Geehan Crannagh, Castleiney	**Gerry Murphy** Clonaganna, Dunkerrin
Rody Gleeson Barna, Templetuohy	**Eugene O'Dwyer** Camas, Cashel
John & Barry Grogan Clonmel Road, Cashel	**William Ryan** Shanakill, Roscrea
Michael Kennedy Boherna, Cloughjordan	**Nicky & Philip Thornton** Dualla, Cashel

Bord Bia SDAS

We are pleased to record that we continue to have 100% of our Suppliers certified under this scheme and wish to acknowledge and thank our suppliers for their continued support for this worthwhile scheme.

Grain Intake

Grain Intake at 12,707 tonnes is back 1/3 on 2017 intake. This is largely due to reduced acreage, reduced yields and significant inter-farm trading. On a positive note Barley and Oats increased in price by €60 per tonne, Wheat by €52 per tonne and Beans by €70. The reduced intake is unlikely to lead to shortfalls despite the increased production levels, as alternative raw materials at competitive prices are available. It was important however for the whole feed industry in Ireland to support the tillage sector with these price levels.

Milk Quality

We are at the time of the year when some suppliers struggle with milk quality. We would urge all suppliers to take extra care with milk quality this winter, particularly now where volumes are generally higher than last year. It has been an expensive year to date so any gains that can be achieved now will be more than welcome.

Finance Ireland Milkflex

This Loan Scheme for Suppliers was launched during the Summer with a great degree of interest. A number of suppliers have drawn down funding and have commenced repayments. Should you have any interest in the Scheme, please contact **Finance Ireland** on **01 647 0255**.

Some features of the Scheme:

- term 8 to 10 years;
- variable interest rate currently 3.75% (APR 4.18%);
- all purposes related to dairy farming excluding land purchases;
- loan size €25,000 to €300,000;
- repayments April to November;
- milk price volatility triggers to reduce/increase repayments based on milk price;
- no asset based security;
- milk supply agreement required.

Bonus Shares

At our AGM, approval was once again given for the issuing of Bonus Shares to those shareholders who supplied Milk and/or Grain during 2017 and also those who traded with the Society in that year.

Almost 500,000 shares were allocated to members, demonstrating once again the importance of continuing to trade with the Society. In particular, those who purchased from the Society received 1 bonus share for every €40 spent.

Milk Volumes

Milk supply has remained resilient to date in 2018 despite all the difficulties. At the end of the 1st Quarter, we were up 4.2% but after a poor April the increase had fallen back to 2% by the end of the 2nd Quarter. This had improved to 3.2% by the end of the 3rd Quarter despite a static month of July. October has been exceptional and we are now up 4.6% or almost 6.5m litres. Overall volume for the year is likely to be close to 160m litres and in excess of 5% ahead of 2017.

Branch Upgrades

2018 has been a busy year for some of our stores. Excellent work was carried out at both our Littleton and Thurles Topline Branches, enhancing the shopping experience for all our customers.

Thurles Mealstore is being upgraded at present and we are confident that that will also meet with positive feedback. Traffic Management will be a big part of the upgrade and we would ask all our customers to adhere to the new signage and road markings to ensure the Health & Safety of all customers and staff.

IT Projects

2018 has been a busy and at times difficult year from an IT point of view. Necessary work in upgrading our main servers took place. This resulted in some knock-on effects such as upgrades to handheld machines at branches and other software changes.

Our next phase is to roll-out our Digital Signature Pads to branches and we look for your co-operation in this regard. Instead of signing the docket for credit purchases, your signature will be required on a Digital Pad which will then upload the signed docket to our system. This will improve efficiency in our Head Office where previously all signed dockets from all branches would have had to be scanned onto our system.

Fodder Seminar

A very informative Fodder Seminar was held last August in order to prepare farmers for the challenge ahead. Thankfully with improved weather and action taken by farmers, the crisis has abated somewhat. We are aware that some may still be in difficulty so would encourage those who feel they will be short of fodder this winter to contact our advisory team, who will be more than willing to advise and assist you.

Credit Union Finance

Local Credit Unions have launched a product 'Cultivate' aimed directly at farmers. Contact your local Credit Union for further details in Birr, Borrisokane, Mullingar, Nenagh, Templemore, Thurles or Tullamore. The maximum sum to be borrowed is €50,000 for up to 7 years with a variable rate of 6.55% (APR 6.75%).

Milk Seasonality Bonuses

Seasonality Bonuses will be paid in the coming months as follows:

November
2c per litre
a minimum supply of 15% of May 2018 supply and Lactose >4.35%

January
5c per litre
combined supply Jan/Feb 2018 >6% of supply year ended March 2018

February
2c per litre
combined supply Jan/Feb 2018 >6% of supply year ended March 2018 **or** a minimum supply of 15% of May 2018 supply

Centenary Agri Feed Bin Offer

Centenary Agri have come together with Spirofeed to offer our customers a **15% discount** off the price of a New Spirofeed Bin and also receive the first tonne of nuts delivered to your bin from Centenary Agri Free of Charge.

To avail of this deal contact **Spirofeed** directly on **Tel: 022 21727**.

Offer ends 31st January 2019.

Board of National Dairy Council

Following a restructuring of representation on the Board of the National Dairy Council, Tim Maher of Kilcurkee, Castleiney was re-elected to the Board having been nominated by Centenary Thurles. Tim is wished well on his appointment.

Feed Pricing

We are pleased to confirm that no further feed price increases will occur for the remainder of 2018. In addition to being a costly year for farmers, the same was true for our feed mill. Substantially increased demand led to additional costs of production and raw materials through spot market purchases.

Given the fodder crises, feed price increases were deferred and even then kept to a minimum as a strong financial support to our customers.

The extent of the increased demand to October can be summarised as follows:

Total Sales	**45%**
Compound Feed	43%
Compound Dairy	51%
Compound Beef	44%
Compound Sheep	23%
Compound Calf	18%

Aryzta Investment

The Society's Balance Sheet at 31st December last, recorded Investments at their then market value of €27m making up almost half of the Society's Net Assets at that date.

Five years ago, conscious of the risk associated with investments principally in Glanbia, Aryzta and One51, an Investment Sub-Committee was formed with a view to over time reducing our exposure to these companies and investing in different asset classes. This work has continued over the years conscious always of the high Capital Gains Tax (33%) rate on disposal. To date €7m has been realised from these investments - €2m from Aryzta and €5m from Glanbia. Funds raised have been re-invested in a diversified portfolio including property, bonds, equities and funds.

Whilst volatility in share prices is the norm, Aryzta in particular has been going through a difficult few years.

The acquisition strategy pursued in search of growth has not proved successful and a new management team is now in place. On 1st November last, approval was received at their AGM, albeit by a slim margin, to raise through a Rights Issue and additional €790m in fresh equity. Existing Shareholders were being asked to purchase 10 new additional shares at a cost of 1 swiss franc each (approx. 88c) for each share held. This Society had the right to purchase an additional 2.17m shares at a cost of approximately €1.9m. There was a substantial risk in this investment, could be positive or negative.

Having held a Special Committee Meeting and having spoken to various advisors, the Committee of Management decided that the best interests of shareholders would be served by participating at a 50% level in the Rights Issue and selling the remaining rights in the market. Subject to movements in share price and consequently in the value of the rights, this would result in an additional investment of approximately €400,000.

Lactose Levels

Milk supplies must be excluded from cows yielding less than 8 litres per day and those cows in excess of 300 days lactation. These cows must be dried off. This will help keep lactose levels up in a year of low lactose, such as we have in 2018. Penalties apply below 4.20% and rejection is below 4.00%. Remember also that our minimum collection volume over 3 days is 400 litres.

Fodder Extender ration available to collect ex Ballyduff or bulk delivered.

30% Maize Meal, 30% Palm Kernel
20% Maize Gluten, 20% Grass Pellets

This ration is ideally suited to be fed at 3-4kg feed rate to replace silage where a deficit of forage exists on farm. For more information please contact any of our sales advisors.

Mill Upgrades

We are currently in the process of installing a new bagger and palletiser in our mill at Ballyduff.

The two existing lines were removed at the end of October and our target date for production from the new line is 3rd December.

In the meantime we have had to outsource some of our bag feed as demand allowed us to only build up some stocks.

All bags will be plastic going forward and it will take some weeks to have full designs for new bags available.

In the meantime you will notice some generic bags and some usage of old stocks to minimise any stock write-offs. The label on the bag will identify the product rather than the bag itself. The ration plant is also in the process of being upgraded with significant investment to convey ration direct to the new bagger.

This will have a huge impact in that it will minimise separation which would previously have occurred from letting out ration prior to loading into a hopper for bagging. Intake 3 has been upgraded since the harvest with civil works and new conveyors to speed up intake at harvest time.

We are confident this significant investment will improve efficiency and presentation of our product.

Additionally we are making some changes to our staffing and the roles carried out. Brian Fennessy has joined us as mill operative/loader driver and dealing with customers. Mark Rice has been employed as machine operator/electrician and will take responsibility for the operation of the new bagger/palletiser.

Staff Retirements

2 members of staff retire in 2018. **Pat Duggan** retired from the mill last July and **Con Fogarty** will retire at the end of November from Thurles Fresh Milk. Both have given long service to Centenary Thurles and this will be recognised in the near future by both Co-Op and Staff.

Dairy Nut Bonus

A reminder again that a milk bonus equating to €15 per tonne on 16% and €25 per tonne on 18%+ will be paid on all Dairy Nuts from our standard range, purchased by and delivered to suppliers between 25th November 2018 and 25th January 2019. This will assist suppliers with costs over the winter period.

Committee of Management Change

Tom Maher of Frankfort Dunkerrin took up office in June having been elected to the Committee at a previous Electoral Area Meeting in Dunkerrin. We wish Tom well on his appointment and look forward to his contribution in the years ahead.

Tom replaced Michael Hannon who retired from the Committee at the AGM following 29 years' service. Speaking at the AGM, Chairman of the Society Jim Russell commented that Michael Hannon always had a contribution to make and was extremely supportive of progress in the Co-Op from Day 1. He thanked him for his invaluable contribution to the Society.

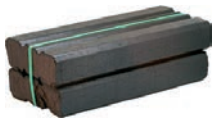
BLACK FRIDAY WEEKEND

FRI 23RD & SAT 24TH NOV

SALE

CENTENARY Home & Garden

CENTENARY Agri



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Briquettes
(Max 50 bales per customer)

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€15

40kg Premium Coal

Madra **Dog Food**
2 for €22

Star **Dog Food**
2 for €28

Gain 28% **Dog Food**
2 for €32

ONLY
€15.50

Supertherm
40kg Smokeless Coal

ONLY
€35

Crown Paints
Colours 5 litre

ONLY
€12

14% Stud Cubes
25kg bag

ONLY
€30

Broxo
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ONLY
€14

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25kg bag

ONLY
€99

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