

More feed from our own resources

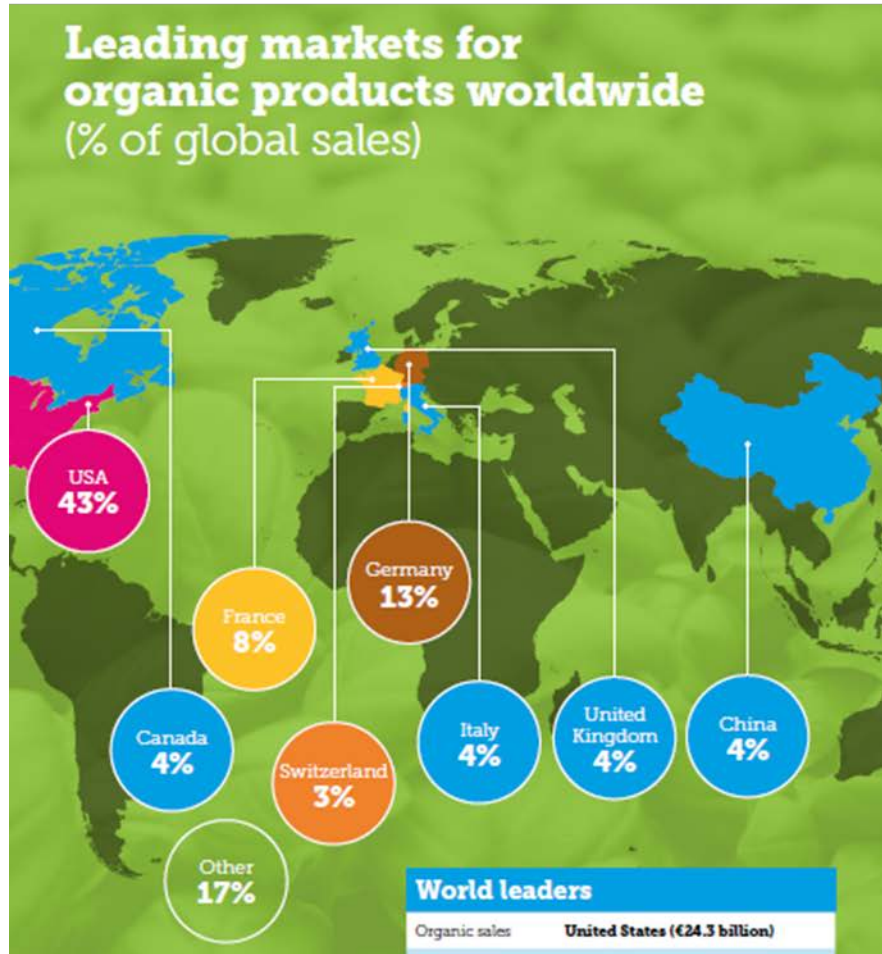
Organic Research Centre Producer Conference 2016



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- The Feed Supply Situation
- Working with Integrated Supply Chains
- Pilot Supply Relationship between Organic Arable & OMSCo
- Why Should you have Greater Control of your Supply Chain?
- Transparency
- Discussion
- Pricing Exercise

USA, USA, USA



- 43% of the global market
- 11.3% increase in sales to £24.3 billion
- 7% of the global organic land area 3 M ha (Europe 11 M Ha)
- Little domestic increase in supply

Chickens That Lay Organic Eggs Eat Imported Food, And It's Pricey

FEBRUARY 27, 2014 4:38 PM ET



DAN CHARLES



should be at a Whole Foods Market in Washington, D.C. The store blames increased demand

A few years ago, Rivest bought organic wheat from Western Canada at \$8 a bu.

“Now I phone them up and offer them \$28,” he said, adding that farmers often counter offer requesting more.

“The market is at a point where it’s going to buck that.”

Instead of paying excessive premiums, he’s turning to India and Ukraine for organic corn, soybeans and wheat.

“It’s going to put a ceiling on the price. (Imports) have already brought the price of feed beans down from \$30 (per bu.) to \$24.”

robert.arnason@producer.com

www.producer.com/2015/02/organic-prices-expected-to-remain-high-for-years/

Instead of paying excessive premiums, he’s turning to India and Ukraine for organic corn, soybeans and wheat.



“BQP are proud of the supply agreement we have in place with Organic Arable to supply locally sourced organic wheat, barley and beans to feed our organic pigs. The agreement allows us to work with organic farmers to build a sustainable and consistent supply of organic raw materials, and reduce reliance on imported raw materials. Through links with local organic arable farmers we are also able to reduce feed miles.

Our relationship with Organic Arable has allowed us to use more British organic cereals than would have otherwise been available to us.

In addition, our relationship with Organic Arable also provides us with the opportunity to explore the utilisation of alternative, and sometimes more novel, home produced organic raw materials.”



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Pilot Supply Relationship between Organic Arable & OMSCo

- Redefining the “Horn & Corn” relationship
- High integrity and provenance of feedstuffs
- Dairy producers have control over ration quality
- Arable producers can influence ration constituents



Why Should you have Greater Control of your Supply Chain?

OMSCo Objectives

- . Maximise returns to members
- . Protect the integrity and reputation of the Coop and the organic sector
- . How do these apply to feed supply issues
- Feed integrity and provenance – transparency. Need to protect the reputation of the Coop and organic dairy. Potential for negative publicity and consumer backlash. Need to be able to make a rational judgement and be able to justify our position
- Commercial opportunity – responding to market demand. Supplying attributes required by customers.
- Security of supply – able to feed the OMSCo herd long term
- Sustainable supply chain – environmental impact in other parts of the world



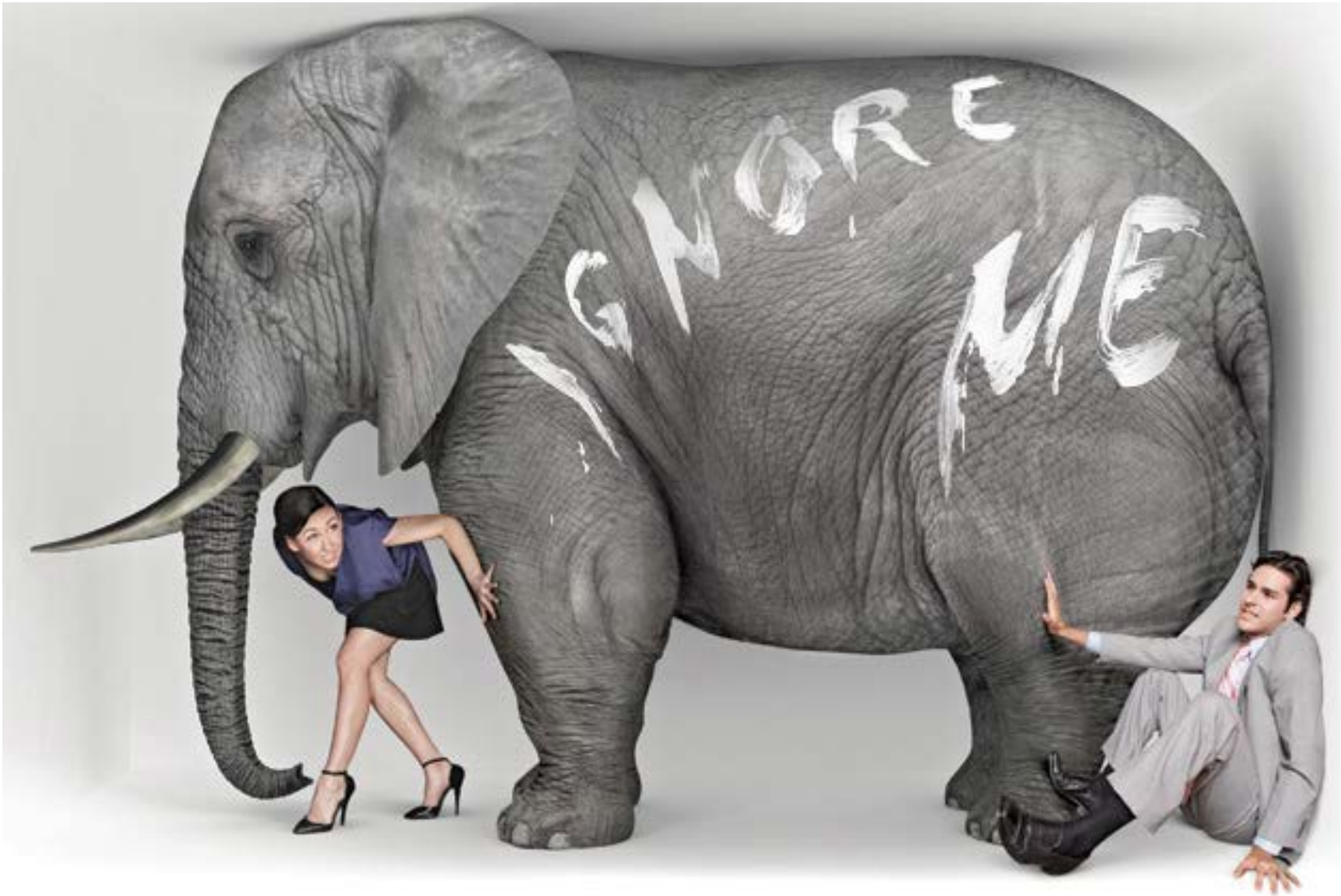
Livestock farmers questions

When compared to imported Maize, Wheat, Soya

- Price per unit Energy and Protein
- Quality, Consistency, nutrient density
- Availability harvest to harvest
- Farm / Farm or Feed supply chain? = compound feed = logistics = support services etc
- Mill storage space, only room for materials suited to all rations
- Market driven? Suppliers / Brand holders

Discussions

- Should there be a link between milk price and wheat price?
- Should we seek to take price volatility out of the market?
- What is the more important security of supply / security of market or price?
- Do we have any responsibility beyond our farm for the wider enterprise sector or UK Organic Plc?




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