

Rural Development Programme for England 2007- 2013

Press Release

1 February, 2010

Dairy expansion will create new jobs

Cornwall's dairy sector was given a boost this week with the news that Trewithen Dairy – third largest buyer of milk in the county – is about to embark on a major expansion.

With the aid of a record £5.7 million grant from the Rural Development Programme for England (RDPE) in South West England, Trewithen is set to increase its production by 80 per cent from 25 million litres of milk a year to 44 million – more than 80 per cent from direct supply farms.

The phased expansion will take place over four years and see the dairy, at Greymare Farm, near Lostwithiel, create 40 new jobs and increase its production capacity for fresh milk, clotted cream and butter milk. It also plans to move into the production of soft cheese and to develop other products.

RDPE is managed by the South West RDA and in approving the grant, the Agency considered that the Cornish economy would benefit from:

- benefits passed back to a growing number of supplier farms to reflect the high cream content of their milk and a reduction in haulage costs;
- adding value to the raw milk in situ by processing it into new products, and
- benefits to local customers and retailers who will have access to a range of local dairy produce;

The dairy has agreed to continue its practice of paying farmers above the South West average price per litre. The premium derives from the higher cream content required by Trewithen which is separated out in processing and used for their soft cheese and cream-based products. Other processors dealing with liquid milk stipulate lower cream levels to avoid the generation of what they regard as a by product.

The expansion programme will include a larger processing area, improved infrastructure and purpose-built new offices and staff facilities, which will replace temporary accommodation.

Commissioned by



Commissioned by



There will also be major investment in equipment and staff training aimed at further improving the quality of products and service.

The project also includes the creation of a Farm Liaison Manager post specifically to build effective relationships with suppliers and to focus on building the quality and consistency of supply.

Trewithen will also strive to achieve greater “professionalism” to satisfy the challenging requirements of the big supermarket chains that have contributed to the dairy’s growing business volumes in recent years.

But managing director Bill Clarke stressed that the independents and “corner shops” would remain the foundation and core of the business. “These have always been at the heart of our development,” he said.

“We are tremendously excited to have been awarded such a big grant, which will facilitate major investment resulting in win-win all round – for Trewithen Dairy, for Cornish farmers, for all our customers and for the Cornish economy.

“More than anything, it will enable us to consolidate and progress our vision of working with the farmer milk suppliers to continue giving them one of the best milk prices for the best quality Cornish milk, with excellent cow welfare and care for our environment.”

South West RDA Board member Nick Buckland said: “Trewithen Dairy’s plans offer an extremely important boost for the Cornish dairy sector. They are totally in line with the objectives that we are working to achieve through RDPE investment in the County and will further reinforce the significance of food and farming for Cornwall’s economy.

“As well as increasing Trewithen’s own production and range of products, this project will develop the dairy supply chain in Cornwall by increasing the number of the farmers who supply it and by offering a premium price for milk. The development of the soft cheese will make full use of the cream content to support the premium price paid to the farmers. It will also mean that less milk has to be transported out of the county.

“It is a huge commitment that will help Trewithen, and its suppliers, become more successful and competitive.”

RDPE is jointly funded by the EU and Defra and RDPE programmes specifically for this region are managed by the South West RDA. Business support from RDPE is provided through the Government’s Solutions for Business services.

Cornwall Agri-food Council supported Trewithen’s application for RDPOE funding. Its chairman, Catherine Mead, said: “The dairy sector is the largest sector of the agricultural industry in Cornwall and we support activity that adds value to Cornish milk and, more importantly passes a proportion of this added-value back to farmers.

“This project, by supporting another buyer in the market place, will help to generate competition for milk.”

She said that Trewithen's expansion plans were in accord with the objectives of the Cornish dairy industry strategy published in 1999 and reviewed in 2007:

- To exploit existing and new market opportunities for dairy products;
- To build and improve the processing capacity in Cornwall by encouraging new starts, by reinvesting in and expanding existing businesses and by attracting inward investment;
- To improve the competitive performance of Cornish processors through bespoke business development support; and
- To strengthen Cornwall's dairy farming base through improved production efficiency and improved marketability of the milk supply.

Caption:

Bill Clarke (second right) and Nick Buckland (second left) toasting the success of the new venture – in milk, naturally – with Rachel and Francis Clarke.

Ends

For more information on Trewithen Dairy, please ring Bill Clarke on 01208 872214
For more information on RDPE or to speak with other people quoted in this press release, please contact Pat Murray. RDPE Communications at the South West RDA, on 07733264756

Notes to editors:

Trewithen Dairy

The Clarke family has been at Greymare Farm since 1977, starting with just one employee and expanding cow numbers from 70 to 300. They started processing in 1994 and the latest investment will be in bottled milk immediately and soft cheese later. The dairy's existing products also include Cornish clotted and liquid creams, butter, yoghurt and crème fraiche. Only five months ago, Trewithen created another 25 new jobs by investing £1 million from its own resources in improved facilities and products to meet the continuing growth in demand from its three customer bases – the independent retailers and corner shops, the South West's thriving food processing industry, and the supermarket sector.

Mr Clarke, who owns and runs Trewithen with his wife Rachel and their son Francis, is a well-known figure in South West farming circles. He is a former South West and Cornwall county NFU chairman and NFU national council delegate.

RDPE

The Rural Development Programme for England (RDPE) runs from 2007 to 2013. It is the 2nd pillar of the Common Agricultural Policy and aims to support the creation of genuinely sustainable farming, forestry and food sectors, whilst also bringing wider benefits for the economy, the environment and rural communities. It provides the major financial vehicle for protecting and enhancing the environment and securing a range of public benefits for society. Defra is the Managing Authority.

The RDPE has three priorities for rural development:

1. Improving competitiveness of the agriculture and forestry sectors

2. Improving the environment and the countryside

3. Improving the quality of life in rural areas and encouraging diversification of economic activity

In this region, the South West of England Regional Development Agency (RDA) will deliver priorities 1 and 3 with a budget of £156.8 million over the seven years. The RDA is also responsible for ensuring that five per cent of the RDPE funding is spent on enabling community involvement in rural development. The delivery partners in the South West aim to ensure that investment in each of the three priorities will help support investment in the others.

The RDPE priority for improving the environment and the countryside is being delivered nationally by the Forestry Commission's Woodland Grant Scheme and Natural England's Environmental Stewardship Scheme. In addition, a minimum of 5% of the programme will be delivered through a local community-led approach.

The aims, objectives and priorities for delivering RDPE in South West England were agreed for the socio-economic investments with regional partners and these are set out in the Regional Implementation Plan. On the basis of a thorough analysis of South West England's rural characteristics and economy, the Plan sets out eight themes:

- i. Skills development
- ii. Social enterprise
- iii. Business support
- iv. Supply chain and adding value
- v. Resource management (soil, water, energy, waste)
- vi. Sustainable rural tourism
- vii. Biodiversity and landscape
- viii. Community-led development

Further more information on RDPE see www.sw-ruralgateway.info

Organisations involved in delivering RDPE

The South West RDA leads the development of a sustainable economy, investing to unlock the region's business potential. It works in partnership with public, private and social purpose organisations to drive up the region's productivity by giving people the skills they need, encouraging enterprise, improving infrastructure, regenerating places and promoting the strengths of the region. For more information see www.southwestrda.org.uk

Natural England works for people, places and nature to conserve and enhance biodiversity, landscapes and wildlife in rural, urban, coastal and marine areas. It conserves and enhances the natural environment for its intrinsic value, the wellbeing and enjoyment of people, and the economic prosperity it brings. For more information see www.naturalengland.org.uk Environmental Stewardship (ES) was launched in 2005, builds on the very best practice already evident in British farming. During the period 2007-13 the national budget for ES will be £2.9 billion. The objectives of ES are to:

Conserve wildlife (biodiversity).

Maintain and enhance landscape quality and character.

Protect the historic environment and natural resources.

Promote public access and understanding of the countryside.

Natural resource protection.

The Forestry Commission is the government department responsible for forestry in Great Britain. It supports woodland owners with grants, tree felling licences, regulation and advice; promotes the benefits of forests and forestry; and advises Government on forestry policy. For further information, visit

www.forestry.gov.uk/england-swe