

Department for Environment, Food and Rural Affairs

2 November 2011

Summary of responses to the consultation for the disposal of the assets of the Residuary Milk Marketing Board

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1. Introduction

1.2 When the Milk Marketing Board was abolished in October 1994, the Residuary Milk Marketing Board (RMMB) was formed to deal with outstanding matters and discharge liabilities. The RMMB was dissolved on 31 January 2002. Any remaining monies were transferred to the Secretary of State (SoS) under the Milk Marketing Board (Residuary Functions) (Amendment) Regulations 2001 (“the Regulations”). Under these Regulations, for a period of time which elapsed well over a year ago, Defra continued to discharge remaining liabilities including payments to eligible former MMB producers.

1.3 The Regulations required the SoS to have held the transferred assets for at least a year (which has now passed) before then determining how the assets should be disposed of, which included consulting with relevant persons or organisations which represent the interests of eligible producers (e.g. former MMB members).

1.4 The remaining transferred assets totalled £176,000. The Regulations define the possible beneficiaries as a body corporate or other organisation in England and Wales connected with milk production or beneficial to those eligible (i.e. ex-MMB) producers.

1.5 On the 1 March 2011 Defra launched a consultation, writing to 70 key industry stakeholders and publishing the associated documentation on the Defra website. The consultation ran from 1 March to 12 April.

2. Analysis of Responses

2.1 A total of 18 responses were received. A check was carried out to ensure that those nominated to receive the assets were consistent with the legal definition of eligible beneficiaries. Following this exercise only 7 nominees were found to be eligible and they were approached to provide more information on their particular proposal in order to allow a final recommendation to be made. This further request required additional information in respect of outputs, outcomes, impact on the dairy industry, governance including indications of project management, reporting and financial costings to ensure propriety. Six responses were received including one organisation which withdrew their original proposal.

2.2 The remaining five applications were evaluated, scored and ranked using a balanced system of scoring against each of the subject headings covered by the additional information request.

2.3 The applications showed various plans for support for the dairy industry as follows:

- PhD studentships and MSc projects as part of a Nutrition Fund which would focus on dairy related research;
- Four discrete projects aimed at a subset of milk producers relating to an industry event, training for company directors, an audit and a small capital cheese and yoghurt making trial investment;
- Dissemination and implementation of recommendations from an existing industry funded project
- PhD research project to investigate the potential benefits of including a proportion of milk from a certain breed of dairy cow in cheddar cheese manufacture;
- Development and implementation of a formal continuing professional development programme (CPD) for dairy farmers and farm workers
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3. Final decision

3.1 All five shortlisted proposals had merit in support of the industry however the CPD proposal was deemed to have the potential to have a greater and more direct positive impact on the largest number of dairy farming businesses.

3.2 Therefore, the Secretary of State determined that the RMMB assets should go to DairyCo for this programme.

4. The Way Forward

Defra is currently working with DairyCo to ensure proper governance of the funds. DairyCo will complete a quarterly progress report and submit these to Defra. Each report will include details of progress against key performance indicators and final beneficiary data. A member of the Defra Dairy policy team will also sit on the project steering group.

Annex A – List of Respondents

List of Respondents
Community Foods Group Ltd
Dairy 2020
Dairy Council
Dairy Development (Wales)
DairyCo
Farmer Crisis Network
Farmers' Union of Wales
Genus
Individual Farmer
Jersey Cattle Society
Milk Pension Fund
Natural England
Quality Milk Producers
RABDF
Royal Agricultural Benevolent Institution
The English Guernsey Cattle Society
Walkland Partnership
Yorkshire Agriculture Society

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