

THE PURE PIG CO.

Free Range, Rare Breed Pigs

Our Philosophy

The chasm between organic and conventional pig farming is enormous. Our Pigs are free to roam and can express their natural habits. They are free from antibiotics and are fed on local oats and organic soya.

PRODUCTS

Whole or half pig - butchered to your requirements

Bacon - Back or Collar, dry cured by a traditional method available in vac-pacs up to 2.5 kg.

Ham - Dry cured by a traditional method available in vac-pacs Up to 2.5 kg.

Sausages - 90% pork with herbs and spices.

ONCE BITTEN FOREVER SMITTEN

Contact John or Gillian Hamilton on 074 91 48940
From N.I. 00353 74 9148940

COW SCANNING:

For accurate information that will allow you to make informed decisions in relation to :-

- ◆ Herd culling
- ◆ Drying off dates
- ◆ Projected calving dates etc

Contact Shane at Farm Relief

FREEZE BRANDING:

If you are considering freeze branding some of your animals this year, we would like to hear from you as early as possible, so as we can group herds in individual areas for cost effective pricing, again contact Shane at Farm Relief.

AUTUMN BREAKS:

A number of the hotel groups nationwide have been in contact with us with a view to doing a joint promotion aimed at the farming community.

The proposal is to make available an "All-In Package Deal" to include, hotel accommodation and relief milking labour.

The deals being suggested at the moment are very attractive and while we will have more on this later, if in the meantime you are interested and would like to learn more, give Jean a call on 074-9145386.

DONEGAL FRS GROUP

Oakfield Demesne, Raphoe.

074-9145386

Info@donegalfrs.com



CREAMERY NEWSLETTER

BALLYRAINE, LETTERKENNY, CO. DONEGAL. TEL. (074) 9121766, FAX (074) 9124823

Financial Performance		H1 2010	H1 2009	Change
Revenue	€'000	60,556	57,718	Up 4.9%
Profit before tax – continuing operations	€'000	4,033	1,504	Up €2.53m
Profit for period after tax	€'000	3,629	677	Up €2.95m
Operating cash flow before interest and tax	€'000	1,537	5,418	Down €3.88m
EPS	Cent	35.7	6.8	Up 28.9c
EPS (Adjusted)*	Cent	34.9	14.0	Up 20.9c
Dividend per share	Cent	7.0	7.0	-
Net debt	€'000	20,135	22,201	Down €2.07m
Net asset value per share **	€	6.07	6.07	-

* Adjusted earnings before the impact of (devaluation)/revaluation of investment properties in group & associates and CGT rate change

** Net assets are total equity attributable to equity holders of the Company

H1 2010 Summary

- Turnover has increased by 4.9% to €60.6 million with profit from continuing operations for the period up by €2.5 million to just over €4.0 million
- Operating profit increased by €1.0m from €0.4m to €1.4m
- Net debt has been reduced by €2.1m from €22.2m to €20.1m
- Significant growth achieved on sales of new added value dairy products
- Organic milk is now being produced on the Grianan Estate
- There has been a significant turnaround in the agri-inputs business which has performed well following a recovery in raw material prices and improvements made in our operating model. We have returned to a more normal level of performance recording a profit of €0.6m, following a loss of €1.6m during the same period last year
- Monaghan Middlebrook Mushrooms Limited has continued to perform strongly and has successfully integrated its acquisition of the Canadian mushroom business which it acquired in November 2009

- Adjusted earnings per share has increased by 150% to 34.9c in the period, and assuming current trading conditions continue, remain on target to be at least in the range of 65-70 cent for the full year

H1 2010 Performance Overview

Donegal Creameries plc is pleased to announce its half year results for the six months ended 30 June 2010. As advised at the AGM in July, our diversified business portfolio has again demonstrated its effectiveness in delivering solid results for the period.

Turnover increased by 4.9% to €60.6m, with profit before tax increasing from €1.5m to just over €4.0m. We have had a satisfactory performance in our dairy division and the produce division is well positioned to deliver a solid performance for the year. The difficult trading circumstances encountered by the agri-inputs division in 2009 have been resolved and we are pleased to report the business is back on track. Our associates, particularly Monaghan

continued next page



Donegal Estates
Estate Agents

ATTENTION FARMERS

Donegal Estates offer a professional and confidential service in the following areas:

- Valuation for transfer, taxation, compulsory purchase etc.
- Site Sales
- Farm sales and lettings
- Property Management
- Auctions of stock and machinery



CONTACT FOR FURTHER DETAIL
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MILK PRODUCTION RISES AGAIN

Milk Production in Donegal continues to surge upwards with August giving us the largest monthly increase to date of over 10.65%. This now gives a cumulative increase of 6.8% for the period April to August. Approximately 64% of last years total intake volume (not Butterfat Adjusted) has now been filled.

Regarding the super levy position, nationally the Country is under quota by approximately 4% at the end of July. It is very difficult to predict at this stage how this year will end regarding production but we will seek to monitor the situation closely.

U.K. PRODUCTION UP BY 184 MILLION LITRES

Provisional figures released by the R.P.A. show that the U.K. Production figures were up by 65.4 million litres for the month of August. This is the 4th consecutive month that production has exceeded the corresponding months last year. These increases have accumulated to 184 million litres to date over the same period last year (not butterfat adjusted)

The butterfat is still showing a decrease month by month with August butterfat at 3.85% - 5 trigger points below August 2009. This gives a cumulative Butterfat of 3.83% down 7 trigger points on last years figure.

Mushrooms, continue to perform strongly.

The Group's balance sheet remains resilient with total assets of €111.7m, net asset value per share of €6.07 and shareholder's equity of €62.5m. Net debt has decreased by 9.3% to €20.1m.

Basic earnings per share for the period ended 30 June 2010 were 35.7 cent increasing from 6.8 cent for the period ended 30 June 2009.

An interim dividend of 7 cent per share will be paid on 3 December 2010 to shareholders on the register on 12 November 2010.

Summary Operations Review

Dairy

Turnover in the dairy division was €28.2m in H1 2010 an increase of 21.9% when compared to the same period in 2009, reflecting the higher commodity dairy pricing and significant growth achieved in added value dairy products. The Different Dairy Company is performing well and good progress continues to be made with the Rumbler's branded range and our organic yoghurt business. The segmental result is down by €975,000 to €349,000 which is caused by a combination of an increase in producer milk prices and a deterioration of margins in the liquid milk market. As planned organic milk is now being produced on the Grianan Estate and is being used for added value dairy products.

Agri-inputs

Following the difficult conditions experienced by this division in 2009, we are pleased to report that the agri-inputs business performed well during the first six months of 2010. Turnover increased by 4.7% to €21.9m delivering a segmental result of €0.6m. However, the business is challenging and is not immune to the current weak demand in retail generally. We expect the segment will perform to budget for the full year following the implementation of a significant cost reduction program.

Produce

Turnover and the segment result declined on the comparative period for 2009. This is primarily due to the timing of deliveries during the December / January period. We expect a strong full year 2010 performance from this division with the key driver coming from the volumes and margins delivered in the last quarter from Irish Potato Marketing. At this stage we are optimistic of double digit

percentage growth in sales for the year. In addition, we expect a good full year result from the sale of organic produce from the Group's Grianan Estate. Further to this, the division's prior period acquisition in Brazil is performing to plan.

Property and Investments

There have been no disposals or acquisitions of property in the first half of the year, nor are any planned for the second half of the current year. We are pleased with the rental incomes being achieved with increased summer activity in our student halls. During the period, investment land valued at €2,628,000 was transferred to property, plant and equipment for use in the Group's produce operations. A Group premises included in property, plant and equipment at 31 December 2009 at a value of €472,296 was re-valued to €817,313 and transferred to investment property on 30 June 2010. There were no investment property impairments in the period.

Associates

The Group's share of associate's profits for the period was €2.3m versus €1.1m for the comparative period in 2009. All associate companies are performing well. In particular, the Monaghan Middlebrook Mushrooms Limited acquisition of its Canadian mushroom business in November 2009 has now been successfully integrated into the business. We are also now seeing the benefits of the significant capital expenditure program which, once completed, will comprise a total investment of €100m in world leading compost production, mushroom growing, and packing/distribution facilities.

Finance

The Board continues to focus on its cash flow from operations and together with its bank facilities has sufficient funding in place to finance its plans for the Group. Capital expenditure continues to be well managed with net cash from operating activities of €1.1m.

Outlook

The Board remains confident of delivering a solid full year performance. Progress continues to be made in all key strategic areas with good growth plans in place. Strategic acquisitions are being evaluated as the Group continues to develop its added value dairy products and produce businesses.

Geoffrey Vance
Chairman

SILAGE SAMPLING AND ANALYSIS SERVICE

Last year the above service was made available to all Milk Suppliers and Customers. We are planning to operate it again on the same lines as last year.

Farm Relief will contact all those suppliers who were sampled last year and arrange a time for samples to be taken on the farm. Samples will then be sent to Agri-Food Bioscience Institute (A.F.B.I.) Hillsborough for analysis. Results will then be sent back to Farmers. In order to get an accurate result from the sample, a silage corer must

be used, taking a number of small amounts over the pit in a number of places. The analysis will only be as good as the sample taken.

Cost of 1st sample (Per farm) - Free
2nd and subsequent samples = €38.00 or £30.00 stg.

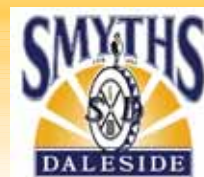
The above costs relate to one report on grass silage only. The charge for the second and subsequent samples must be paid to the Sampler from Farm Relief on the day sample is taken.

STRANORLAR MART SUCK SALES 2010

Suck sale	20th September 2010	Night Sale
Suck Sale	4th October, 2010	Day Sale
Suck sale	18th October 2010	Day Sale "Show and Sale"
Suck Sale	1st. November 2010	Day Sale

DAIRY HERD CERTIFICATES

We would urge all farmers to get their Herd Certs into us as soon as possible. Herd Certs are again required for this year. If you require one to be sent out to you please contact the Letterkenny office.



MANAGEMENT NOTES SEPT 2010

Heifer Management

- Heifers are very valuable animals and should have the highest genetic merit of all dairy cattle on the farm so it is crucial to ensure they are on a correct management regime.
- Target bodyweight at calving for high genetic merit Hosten-Friesian heifers is 620kg at 24 months and for medium genetic merit heifers is 580kg. Body Condition Score should be monitored closely to ensure BCS 3.0 at calving. Autumn calving heifers on grass will require up to 2kg of a properly balanced heifer replacement ration to achieve 0.9kg daily liveweight gain. Heifers should be treated as dry cows in the last 6-8 weeks of pregnancy and receive dry cow ration or a specialised dry cow mineral.
- Weather at present is ideal for flies and summer mastitis. Keep heifer in large, open fields which have few waterways or wooded areas. Check heifers at least once daily as an infected quarter can take hold extremely quickly and closely check any heifer acting out of character. Insecticide pour-on treatment, impregnated ear tags and stockholm tar can be used as aids to prevention but always continue to check heifers frequently.
- It is good management practice to integrate heifers into the milking herd 2-3 weeks prior to calving. Introduce a low level of concentrate through the parlour and this will help them become accustomed to the milking routine. Housing first lactation heifers separately from the main herd will avoid bullying by older cows but where this is not possible ensure adequate feeding space is available for all animals.

Pregnancy Diagnosis

- With the main breeding season ended on most dairy farms now is the time to carry out a final pregnancy diagnosis of cows previously confirmed in calf. This will help improve management as a calving date and time of drying off can be predicted. Also identifying problem cows early allows for earlier culling and creates space for replacements entering the herd.

Milk Fever Prevention

- Milk fever is a nutritional disorder which can be seen in high yielding autumn calving cows. It is caused by low blood calcium levels which arise at the start of lactation due to an increased demand for calcium as the cow starts to produce milk.
- The main risk factors are high intakes of calcium and potassium prior to calving. Feeding fresh grass to dry cows is the primary cause of milk fever, reduces stamina at calving and increases likelihood of retained afterbirths and uterine infections. The following guidelines will help minimise the risk:
 - Restrict intake of grazed grass.
 - Graze old pastures which are bare.
 - Avoid intensively fertilised pasture (particularly with potash).
 - Make straw available (low in calcium and potassium).
 - Feed a specialised dry cow mineral from drying off, then a pre-calver nut from 4 weeks prior to calving.
 - Avoid stress on the cow at calving.

By Jeremy McGonigle, Smyth Daleside Feeds

Fluke and Worms a problem? Try Animec Super – the ideal, one dose injection for the control of parasites in cattle. It contains ivermectin, to kill worms and lice, and closulon for the treatment of adult fluke.

What does Animec Super treat?

- Gastro-intestinal roundworms
- Lungworms
- Eye worms (adult)
- Warbles (parasitic stages)
- Mange Mites
- Sucking Lice
- Adult Liver Fluke

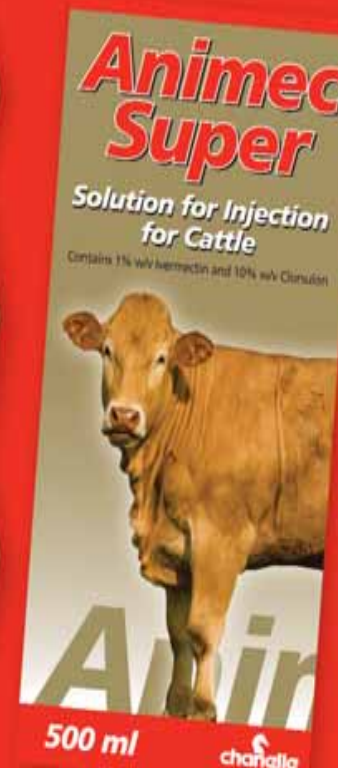
Why Animec Super?

- Provides all the benefits of Chanella's Animec Injection, plus the added control of adult liver fluke in a single dose
- Easy & quick to administer
- Controls re-infection, of certain parasites, for up to 28 days after treatment
- Can be given to all young calves and heifers, including dairy, prior to breeding
- Safe to use on pregnant and lactating beef cows
- Available in three sizes – 50 ml, 250 ml, 500 ml
- Similar to brand leader
- Competitively priced

Effects of parasites

- Adult liver fluke lives in the bile ducts of the infected animal and compromise the liver function. Fluke can cost farmers over €25 Million, yearly, with deaths and lost production.¹ Fluke and parasite infection can result in:
- Less of body condition and weight loss
 - Reduced productivity
 - Reduced reproductive performance
 - Lower feed absorption

Animec Super
*Superior Strength...
Superior Protection...
Superior Choice...*



AVAILABLE AT DONEGAL CREAMERIES STORES NOW

BRANCH OFFERS SEPT For 1 month only from 20/09/10 to 22/10/10

SOUTHERN STORES

Animal medicine Promotional Open days not to be missed extra bonus and keen prices on the day.

ALL NEW ANIMEC SUPER INTRODUCTORY PRICES NOT TO BE BEATEN

Animec / Tribex

Lifford	Wednesday	06/10/09
Kerrykeel	Thursday	07/10/09
Letterkenny	Friday	08/10/09

NORTHERN IRELAND STORES

- Life aid extra 48 pk £ 50.00 + vat
- Pre calver buckets (high spec) buy x5 20kg buckets only £55.00 no vat
- Caliject 40cm 5 milk fever bottles 12pk £29.00 + vat

Now in stock bulk ton bags cubicle lime at very competitive prices..

Full range dairy equipment spares Fullwood Alfa Dairymaster Gascogine in stock
Milking liner deals now on for all parlour sizes.

Ring Brian/Malcolm on 028 82244184