

Nestlé also announces producer price increase

Nestlé joined various milk buyers countrywide by announcing producer price increases with effect from 1 February 2012. Nestlé producers will receive between 37 and 45 cents per litre more from a base of R2,70 to R3,10 per litre. Mr Bertus de Jongh, MPO CEO, said that the milk to feed price ratio is still too low, in spite of recent price increases. He added that the MPO is of the opinion that producer prices should be in the region of R4,00 per litre in order for milk production to be sustainable.

Watch the mail for *Agricultural Outlook 2012*

The MPO's media company, Agri Connect, recently published the *Agricultural Outlook 2012*, which is sponsored by ABSA and contains comprehensive and reliable statistical and economic data and projections with regard to the international and local economic and agricultural outlook. Dr Koos Coetzee, one of South Africa's leading economists, and Mr Ernst Janovsky, head of ABSA Agribusiness, were responsible for the compilation of the publication, with additional contributions by Messrs Dawid Snyman and Loffie Brand from ABSA. Mr Bertus de Jongh said the MPO is proud to be associated with this landmark publication, which will be invaluable in assisting producers in various agricultural sectors to make informed decisions during the year ahead. All producers will receive a copy of the publication together with the February edition of *The Dairy Mail*.

Outlook for milk positive

"All market indicators point towards higher producer prices." According to Dr Koos Coetzee, factors such as the gap between producer and import parity prices, the growth in demand for dairy products and increasing exports all indicate that significant upwards adjustments of producer prices are imminent. Dr Coetzee adds that producer prices are expected to increase further in 2012. To read more <[click here](#)>.

Further action against low-priced imports

At the monthly import meeting of the MPO and Agri Inspec a minimal number of import consignments of dairy products were identified as a risk with regard to possible irregularities. This was based on the unrealistically low prices at which the products were cleared. An import consignment originating from China was immediately reported to the Directorate: Import and Export Control of the Department of Agriculture, Forestry and Fisheries (DAFF) since all imports of dairy products from China are prohibited. Agri Inspec was requested to conduct in-depth investigations with regard to the risks identified. Upon conclusion of these investigations, reports will be submitted to the embassies of the countries concerned and the relevant authorities, such as the International Trade Administration Commission, DAFF and the South African Revenue Services, who will take the necessary action. Furthermore, it was decided that the MPO will arrange a meeting with the Competition Commission to discuss the disruptive effect of low-priced dairy imports

originating in Ireland, which the MPO believes constitutes uncompetitive behaviour. Mr de Jongh said that the low levels of illegal and substandard dairy imports can be ascribed to the consistent efforts in this regard by the MPO and Agri Inspec.

Pilot school milk project kicks off for 2012

The pilot school milk project funded by the Department of Agriculture, Forestry and Fisheries and managed and coordinated by the MPO, kicked off again on 18 January 2012 and is running smoothly. In the Alice district in the Eastern Cape, 1 100 learners at eight schools receive 250ml of milk at school every weekday while milk is also distributed to 523 learners at Katleho Public School in Qwa Qwa. Eight supervisor positions were created as a result of the project and the MPO is continuously involved in the training of supervisors and the monitoring of the distribution process at the schools. Dr Nico Schutte of the MPO's Cendel said other schools in the Eastern Cape are also eager to become part of the project and various role players in the dairy industry expressed interest in extending the existing project. Currently, a project to recycle waste material from the schools involved as well as the surrounding community, is under consideration. Such a project could generate income through selling the waste material to relevant companies.

Co-operation with Jersey SA formalised

The MPO will provide market information to Jersey SA in future. This was agreed during a meeting held between Dr Koos Coetzee and Mr Ray Verster, breed manager at Jersey SA, on Tuesday, 24 January. Dr Coetzee said further cooperation between the two organisations is foreseen in future.

MPO North reviews important issues

MPO North regional management met on Tuesday to discuss matters of interest to milk producers in the region. Under the leadership of Mr Joubert Fourie, chairman MPO North, issues such as the unsatisfactory current state of milk recording was noted and changes to the structure and content of producer meetings were discussed and approved. Furthermore, structural options such as the establishment of co-operatives which are available to milk producers to improve their negotiating power will be included on the agenda of producer meetings during 2012. The success of the Lichtenburg Dairy Organisation (LDO) in reducing input costs by purchasing products on behalf of MPO members was noted and MPO North regional management once again pledged their support for the initiative. The reports from the different regions all indicated that milk producers are under financial pressure as a result of adverse climatic conditions and high feed costs. Concern was expressed over the negative effect that the significant increase in animals slaughtered has on herd sizes. The meeting agreed that further upward adjustments of producer prices are urgently required.

MPO regional co-ordinators plan 2012

MPO management and regional co-ordinators met on Wednesday, 25 January to plan activities for 2012, including the improvement of communication and contact with milk producers at grass root level. This meeting takes place at least three times a year and provides a platform for information sharing where all matters of interest to producers are discussed on a regional and national basis. Wednesday's meeting focussed on updating regional co-ordinators on local and international economic trends, feedback from the regions and new services planned by the MPO. Appreciation was expressed towards the regional coordinators for services rendered to milk producers during the past year.

The 5 C's of calf-rearing

"Improved calf health is within reach of every professional farmer, by considering the five areas of calf rearing: colostrum, calories, consistency, comfort and cleanliness." Turn to page 46 of the January edition of *The Dairy Mail* to <read> this interesting article.

MPO route meetings to kick off in Limpopo

Producers are invited to attend the MPO North's route meetings at the Thatch

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