

MPO Newsletter / Nuusbriëf

01 October 2010

Milk SA board of directors meet

Messrs Dèan Kleynhans and Bertus de Jongh of the MPO attended the Milk SA Board meeting on 23 September 2010. Various matters such as transformation in the dairy industry, research and development, consumer education and dairy quality were discussed. The healthy financial position of Milk SA was also discussed. Projects currently receiving immediate attention are:

- A comprehensive BEE plan for the dairy industry is on its way thanks to the MPO's Mr Danie Schutte, along with Mr Godfrey Rathogwa from Milk SA.
- A new Milk SA television commercial is ready and should be flighted soon.

At the board meeting, Mr Godfrey Rathogwa, director of Milk SA, was reappointed as BEE manager for the organisation. Mr De Jongh said that the MPO welcomed this move but is concerned about a possible duplication of services already supplied by the MPO and should be addressed. Mr De Jongh believes that BEE projects in the primary dairy industry should be addressed by the MPO.

The MPO regularly spends more than its annual income from membership fees on black economic empowerment (BEE) and the Institute for Dairy Technology has trained approximately 2 500 farm labourers and emerging farmers annually since the commencement of this project more than a decade ago.

Mr De Jongh is also concerned that the duplication of sources of information is incurring additional expenses. Milk SA has also issued its own magazine recently, while the services of *The Dairy Mail* could have been obtained for this purpose. Mr De Jongh is adamant that the MPO should be the sole voice for the primary industry and should be the prime contact for the department of agriculture to discuss agricultural issues. Proposals for next year's projects will be tabled and evaluated at the board's next meeting on 1 December 2010.

MPO obtains funds for mentorships

The MPO's affiliate, Cendel, under the leadership of Dr Nico Schutte, has obtained funding from the Eastern Cape department of Agriculture for mentorship programmes in this province. Dr Schutte said Cendel is well experienced in mentorships. "It is still a preferred way to establish

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emerging dairy milk producers sustainably,” he said.

Mbisi encourages milk recording

The Milk Business Information System Incorporated (Mbisi), of which the MPO was a founder member, recently launched a new campaign to encourage participation in the milk recording scheme. Farmers with herds of 50 or less can apply for one year’s fully subsidised milk recording if they are new members of the scheme. New members with larger herds can apply for a subsidy on the basic milk recording information and only pay extra for the somatic cell count, milk urea nitrogen (MUN) analysis and e-report.

MPO members play a major role and contribute to the Mbisi board of directors. Mr Meyer de Jager, former chairperson of MPO Mpumalanga, is the current chairperson of Mbisi.

Read more in the October edition of The Dairy Mail or click [<here>](#).

Indicators confirm economic recovery

Various economic indicators released this week confirm that the South African economy is indeed in a recovery phase. The Reserve Bank’s leading indicator of economic activity increased from 129,2 for June 2010 to 130,7 for July 2010. The indicator has improved by 20,1% since July 2009. Inflation is at historically low levels with consumer inflation at 3,5% and producer price inflation at 7,8%. The consumer’s situation has also improved slightly. Consumer debt as percentage of disposable income decreased to 78,2% in the second quarter, an improvement of 2,9% on the same period in 2009.

Irish Dairy Board denies subsidies

In a letter written to the MPO this week, the Irish Dairy Board (IDB) denied subsidising exports. This letter was written in response to a complaint the MPO lodged with the chairperson of the IDB, regarding low-priced imports in July. Six consignments of cheddar cheese (68 tonnes) were imported from Ireland at prices below the international price.

Ms Barbara Bieldt, manager: Market protection at the MPO, said they were not satisfied with the reply from the IDB and has already requested a further meeting with the organisation’s representative in South Africa.

The Irish export 80% of their dairy production. *To read more, click [<here>](#).*

MPO attends Livestock and Animal Feed Forum meeting

Dr Koos Coetzee represented the MPO at a meeting of the Livestock and Animal Feed Forum, held on Thursday. The forum provides an opportunity for livestock producers, the feed industry and government to discuss and decide on mutual issues. At this meeting, the proposed new Feed Bill, South Africa’s BSE-free status and the import of products that do not comply with South African veterinary standards, were discussed. The livestock industry again objected to the current draft of the proposed feed bill. If approved, this bill will enforce control standards on farmers similar to those applicable to commercial feed manufacturers.

Representatives from the MPO, the RPO, the Feedlot Association and



other role players will again meet with the department of agriculture on Monday to further discuss this matter.

Towards the IDF World Dairy Summit 2010

The International Dairy Federation's (IDF) World Dairy Summit takes place from

8 to 11 November in Auckland, New Zealand.

Some of the highlights during the four day conference include: Developments in global milk production, world dairy trade developments, world dairy markets, trends and prospects, challenges and opportunities for international dairy trade, impact of grain markets on the future of dairy, sustainability and the dairy supply chain, international research collaboration, managing market volatility, price risk management tools for the dairy sector, Asian dairy markets, greenhouse gas emissions, water and nutrient management, soil sciences, energy and much more. A 'sustainability area' (with other exhibits) is also planned at the conference centre. Mr Bertus de Jongh, who represents South Africa as a board member of the international dairy federation, is attending the board meeting at the summit. The MPO is a paying member towards the South African committee of the IDF.

- Farmers who are interested in attending the summit can contact Sarine at Agri Travel at 012 843 5722.

Regular updates on the IDF World Dairy Summit are available at [<this link>](#).

Links

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[Barbara Bieldt](#) – Manager: Market Protection
[Dr. Koos Coetzee](#) – Economist
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