

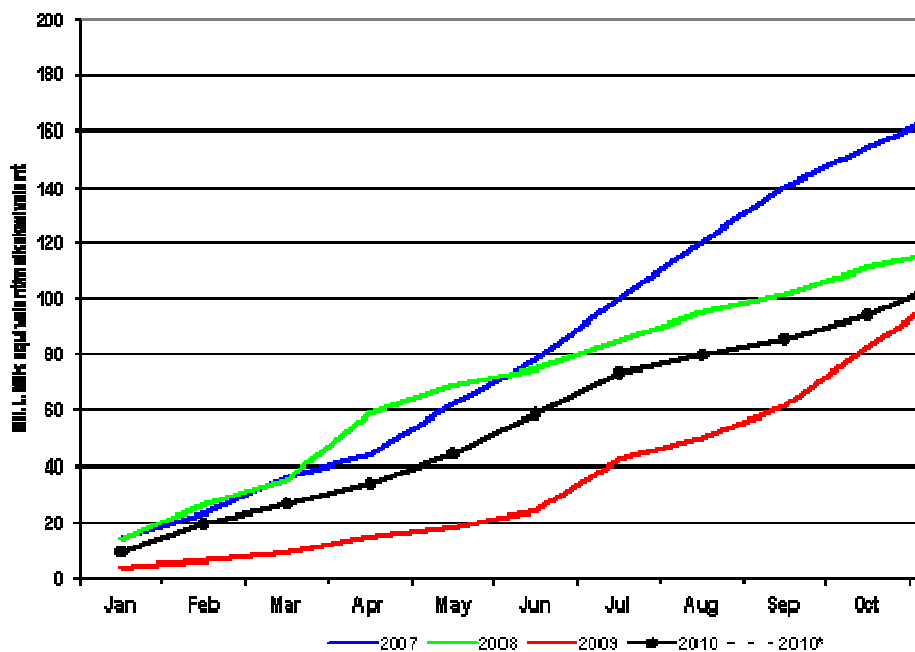
MPO Newsletter / Nuusbriëf

10 December 2010

Total imports higher than in 2009

Imports during 2010 will be slightly higher than during 2009. Based on the first 11 months, total imports for 2010 are estimated at 36 029 tons, up 9% on 2009. World dairy product prices increased since then. The FOA dairy price index for November is at 208 points, up from 203 in October 2010. International prices are now 40% higher than the average for 2009. This increase probably limit imports next year. Monthly imports for the period 2007 – 2010 are shown in Figure 1.

Figure 1



MPO KZN reaches agreement with DAEA&RO

The MPO in KwaZulu-Natal has reached an agreement with their department of Agriculture, Environmental Affairs and Rural Development (DAE&RD) to increase the competitiveness of the primary dairy industry in KZN, through a mutual support programme. The two parties intend to strengthen and extend the cooperation between them through research, technology development and

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technology transfer efforts, to achieve an environmentally and economically sustainable dairy sector in the province.

According to the Memorandum of Cooperation, they also intend to achieve their goals by developing the KZN dairy sector through the KZN Agribusiness strategy (developments and marketing along the value chain). Tom Turner, MPO KZN chairperson who signed the agreement on behalf of the MPO, said, "We believe that this is much needed and necessary partnership with provincial government to provide a vehicle for the implementation of initiatives that MPO achieves with government on a national level."

MPO Western Cape committee meets

The MPO Western Cape's management committee, under chairmanship of Philip Blanckenberg met in Swellendam last Friday. The meeting discussed opportunities for dairy farmers in the Southern and Western Cape and expressed their gratitude for the substantial rains that fell in the area over the last couple of weeks. However, more rain is still needed in some areas. The meeting was also informed of the current national and international status of the dairy industry, which has improved substantially since the previous year. The schedule for the 2011 route meetings and the dates for the AGM were finalised at the meeting. MPO Western Cape's finances were also discussed and Mr Bertus de Jongh, MPO CEO, gave feedback regarding MPO activities over the last quarter and thanked committee members for their hard work during the year. The committee also expressed their gratitude to the directors and staff for their work.

MPO members approve new fees

Mr Philip Swart, manager: member services and Ms Alta van Zyl, MPO North regional coordinator, last week paid visit to the Mpumalanga and Gauteng areas to sign up producers for the increase of 0,1c per litre in membership fees. Producers visited readily signed the new membership form and agreed to pay the nominally increased levies. The MPO Board will decide next year when these levies will be implemented in order to accommodate producers who are currently under price pressure. Half of all dairy producers have now given their support to the new membership fee. This is already substantially more than that enjoyed by other agricultural organisations. Producers who still have not signed the new yellow form are requested to please do so. A form can be downloaded from this [link](#).

Presentation to German delegation

Dr Koos Coetzee was invited to present an overview of the South African agricultural and dairy sector at a recent meeting with a delegation of an agribusiness delegation from Germany. Mr Friedrich Wacker, head of the department of international cooperation at the German Federal Ministry of Food, Agriculture and Consumer Protection welcomed the delegates and speakers from South Africa. He emphasised that South Africa is the largest economy in Africa and an important trade partner for Germany. Dr Coetzee indicated that the

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South African dairy industry is a technologically advanced and cost-efficient producer of dairy products and a trendsetter for the rest of Africa. Various meetings took place between the German delegates and their South African counterparts.

Clover lists next Thursday

Clover's proposed listing date is currently set for 14 December 2010. Producers who own shares in the company are advised to study the documents thoroughly and discuss their options with their financial advisors. According to Clover's CEO, Johan Vorster, the company aims to raise capital by listing. Capital raised in this way will serve to enhance the supply chain, create capacity to sustain current and future growth of the business and improve profitability. Clover's pre-listing and other relevant documents are available on their website at this [link](#).

All Milk SA projects approved

All the current projects that Milk SA are financing, will again be financed in 2011. These projects include generic advertising, Sampro training, dairy quality, statistics, MPO training and mentoring and emerging farming mentoring. All these projects are essential to the dairy industry.

MPO Free State hosts golf day

MPO Free State presented a golf day at the Bloemfontein golf club on Tuesday. The competition, in the form of a better-ball-Stableford, presented an ideal opportunity to end a busy year in a relaxing manner but also to strengthen business ties and enjoy the day with colleagues, clients and friends. The day was made possible by Danie Nel and PIC Syndications from Bloemfontein. The winners of the competition were, first, Micky Quinn and Wally Mathews, second were André Bester and Nicky Reyneke and third were Christo Swanepoel en Zane Anderson.

MPO Eastern Cape attends Woodlands AGM

The MPO attended the Woodlands Dairy AGM on 7 December in Humansdorp. Ms Jana Rademeyer, regional coordinator of the MPO in the Eastern Cape, said a positive and uplifting relationship between producers and Woodlands are maintained. Even though this year has been plagued by an ailing milk price and lack of rainfall, the mood among producers at the AGM was very comfortable and light-hearted. Messrs Conrad Dreyer was again elected as chairperson and Mr Nigel Lock as vice-chairperson. Woodlands CEO, Mr Lex Gutsche, spoke openly of future plans within the Woodlands family. Mr Gutsche assured producers that neither Woodlands Dairy nor their vendor affiliate, Spar would import milk in 2011.

Last newsletter for 2010

This will be our last newsletter for the year. We trust that our members have found this newsletter to be valuable. Both staff and members of the MPO board worked very hard this year to make the newsletter as



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relevant as possible. Please do not hesitate to **contact us** with all possible suggestions on how to improve the newsletter in 2011. We will continue with this newsletter in early January 2011.

May we also use this opportunity to, on behalf of the MPO board and staff, to wish all members a blessed Christmas period and prosperous New Year. We thank you for the opportunity to be of service to you and hope to build on this relationship.

Links

Milk Producers' Organisation – The Dairy Mail

Contact us

Bertus de Jongh – Chief executive officer

Barbara Bieldt – Manager: Market protection and development

Dr Koos Coetzee – Economist

Philip Swart – MPO member services

The logo for Agriinspect, featuring the word "Agriinspect" in a blue, stylized font with a green leaf-like shape above the 'i'.

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Please take note that this e-mail is not spam. It is a newsletter sent from the MPO to you as valuable dairy producer. www.mpo.co.za / 012 843 5600



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Represents and empowers the producer