

MPO Newsletter / Nuusbriëf

12 November 2010

Hold on to Clover shares, says MPO chairman

Mr Dèan Kleynhans, MPO chairperson, told *The Farmers' Weekly* that producers who currently hold shares in Clover could benefit from their December listing as share prices could increase. He also stated that the Clover listing would probably not have an immediate effect on the milk price to suppliers but could raise shareholder expectations of increased profits. According to *The Farmers' Weekly*, he added, "the best route forward would be for dairy farmers to remain the majority shareholders in the company; otherwise the role the producer currently plays in decision-making will become smaller." Eighty-five per cent of the Clover shareholders are producers.

News from IDF World Dairy Summit

The International Dairy Federation (IDF) World Dairy Summit took place in Auckland, New Zealand this week. The world's most important dairy conference was attended by a record 2 200 delegates from 66 countries. The focus of the conference was the "sustainability of the dairy sector – ensuring food security by lifting productivity with minimum impact on the environment". This is critical in view of the fact that the global demand for dairy products is expected to increase by 50 per cent over the next 10 years and to double by 2050.

Jacqueline Pieters, global sector head: dairy at Rabobank, was asked before the summit what she believes are the current hot topics in the global dairy industry. She replied, "Price volatility, securing milk supply, globalisation and sustainability. The key issue for the global dairy industry in 5 to 10 years is how to supply the growing demand for dairy in a sustainable way, especially in the developing dairy markets where demand growth for dairy is the highlight and supply conditions are challenging – the key opportunities will come from Westernisation of the dairy diet in developing dairy markets."

Ken Mackenzie, MD and CEO of Amcor Limited said food safety is a hot topic for the dairy industry and there is a role for packaging in ensuring the integrity of products to reassure consumers and to help producers maintain the integrity of their supply chain. He believes the next decade will see a continued focus on sustainability and reductions in the carbon footprint of the dairy industry will be expected.

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Andrew Ferrie, CEO of Fonterra Co-operative Group, said dairy's prospects are bright as a leading source of protein nutrition. "But despite decades of trade reform, the world's food system remains criss-crossed with invisible lines of profits, politics and protectionism. To achieve food security and sustainability, the world needs food flowing from areas of production to consumption without unnecessary trade barriers, imposed costs and regulatory roadblocks."

Cary Fry, vice president: regulatory affairs for the International Dairy Foods Association, said the global dairy industry is facing pressure worldwide related to governments' taking a more active role in nutrition policy. The global dairy industry is working diligently to position dairy products as nutrient rich foods that provide essential vitamins and minerals such as calcium, potassium and protein that are critical to good health.

Dr. Torsten Hemme, chairperson of the IFCN, said there is twice as much trade within the EU, US and China than in the world market. "The key driver for developments in global milk production in the future will depend on the milk price, the feed price and the related milk:feed price ratio." Dr Hemme said waterfootprint will be the one new hot issue for the global dairy industry in the future. After having fully understood and benchmarked carbon footprints, dairy farming systems will be classified by how much water and what type of water they use."

Mariann Fischer Boel, previously a minister in the Danish parliament and still serving on the boards of several organisations, said currently, and also in five years, "the biggest challenge for the global dairy industry will be coping with the volatility of prices in a more and more globalised market, without falling back into protectionism or using trade distorting measures."

David Homer, UK farmer, said the two main sustainability challenges facing the dairy industry today are economic sustainability and people. "People, because it is becoming increasingly difficult to find enthusiastic young people to come into the industry to care for and milk cows. Also of course, the environmental challenges from the point of view of water availability and potential temperature changes which may affect cows and their welfare."

Dr Anna-Karin Modin Edman from the Swedish Dairy Association said hot topics now were climate impact – how to reduce greenhouse gas emissions, water and energy and healthy animals. In the next five years, biodiversity loss caused by dairy feed production and nutrition for the under- and over-nourished, where milk has a positive role to play, would be hot topics.

In a mere 24 months from now, South Africa will host the World Dairy Summit.

More support for MPO School Milk Day

At a meeting held between the MPO and representatives of the



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department of agriculture, forestry and fisheries (DAFF) on Thursday to discuss the MPO's report on School Milk Day 2010 it was indicated that DAFF wishes to become more involved with the event. DAFF representatives congratulated the MPO on the scope and success of the event and said that not only would they recommend the inclusion of the day on the national calendar but that the department is willing to finance the translation and printing of the colouring and activity book in Tswana. DAFF also wants to become involved in the event in 2011 by participating in activities at some of the schools. Barbara Bieldt manager market protection and development of the MPO says that School Milk Day plays a very important role in the MPO's endeavour to promote the image of milk producers and to stimulate market growth. Read more about the MPO's School Milk Day activities at www.mpo.co.za

New service by Institute

Resulting from a need expressed by milk producers country wide the MPO's Institute for Dairy Technology (IDT) has developed a holistic counselling service for milk producers. The planned new service will entail the collection of factual information from milk producers, including the number of cows, average milk production and list of input suppliers followed by detailed on farm evaluation of, among others, milk quality, milk harvesting, reproduction and management. All the information will then be analysed together with specific milk recording data in order to develop a tailor-made counselling programme to address the needs of the individual milk producer. Counselling will take place on an ongoing basis in conjunction with relevant training of farm labourers by the IDT. The service will be available from 2011 at a nominal cost. The IDT encourages milk producers to participate in the milk recording scheme since some of the recorded data will be used to develop counselling programmes. Dr Jan du Preez, managing director of the IDT says that this service will assist milk producers to increase on-farm efficiency. Milk producers who require more information or are interested in making use of this service can contact Dr du Preez at jan.dupreez@mpo.co.za

Revamped MPO website

The MPO is pleased to announce that its revamped website went live at 17:00 on Thursday. The website is now available in both English and Afrikaans to cater for the needs of MPO members. Please visit the website at www.mpo.co.za

Links

[Milk Producers' Organisation](#) – [The Dairy Mail](#)

Contact us

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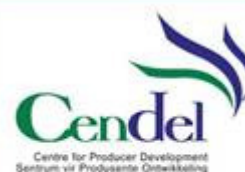


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