



# MPO Newsletter / Nuusbrief

21 January 2011

## Green light for pilot school milk project

Mr Bertus de Jongh, CEO of the MPO and Mr Langa Zita, director general: Agriculture signed an agreement for the implementation of a pilot school milk project on Friday, 14 January. The pilot project involves the supply of milk to specified schools in Alice, East London and Qwa Qwa by emerging farmers. The MPO will be responsible for the management and coordination of the project which will be funded by the Department of Agriculture, Forestry and Fisheries (daff). Mr de Jongh says that the MPO regards this as a major breakthrough and that the successful implementation of this project could promote the establishment of a national school milk scheme which will have a significant impact on the growth of the industry.

## Improved regulations for dairy products

Daff's food safety and quality assurance (FSQA) unit is putting the finishing touches to the revised Notice 2581 which contains standards and quality regulations for dairy products. This was reported by the head of FSQA at the MPO's Dairy Classification and Technical Liaison Committee's first meeting on 14 January. The regulations were extensively revised and inputs from the MPO and other role players in the industry were also incorporated into the draft document which will be published for comment shortly. Changes in technology, existing dispensations and some free-range clauses are also included. Ms Barbara Bieldt, manager market protection of the MPO says the revision was long overdue and updated consumer friendly regulations will definitely lead to improved control to the benefit of the entire industry.

## Importers forced to comply

Daff launched a national investigation including on-site inspections at wholesalers and retailers following a request by the MPO to investigate the compliance of imported imitation cream with SA requirements in terms of content and labeling. The labeling of imitation cream products imported from various sources were found to be incorrect. Smaller retailers supplying the catering trade were the main offenders against whom daff



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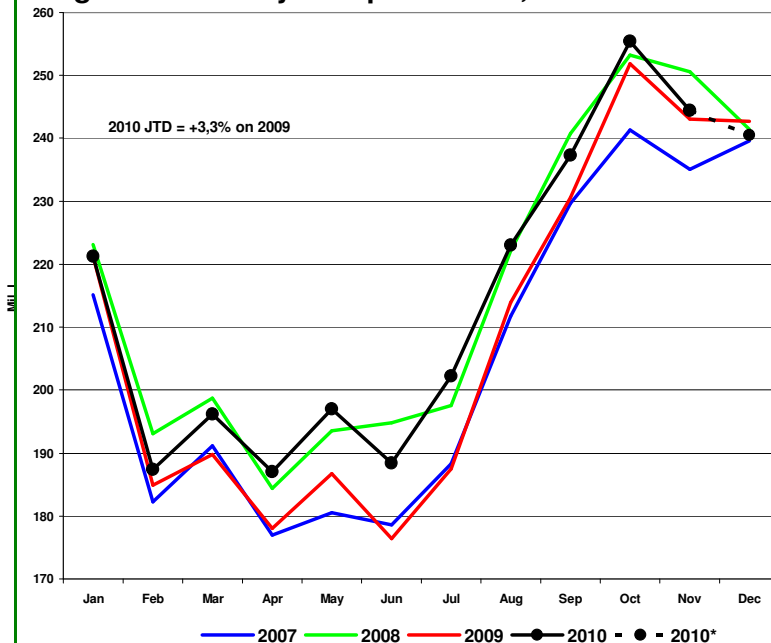
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had to take action. Importers had to request their suppliers to amend labeling in line with SA requirements. Agri Inspec confirmed that no imports of imitation cream with incorrect labeling were detected during the past six months.

### Production growth slows down

Figures recently analysed by the MPO indicate that the growing trend in milk production has slowed down. Milk production in November is 0,6% more than in November 2009, and 2,4% less than in November 2008. This is the lowest increase in nine months. Total milk production for 2010 is currently estimated at 2 580 million litres which is 2,9% more than in 2009. The reduction in producer prices during 2010 and the quota regimes imposed by milk buyers played a major role in limiting production growth in the last three months. While maize prices remained relatively low, higher protein prices did result in higher feed prices. This further inhibited production growth. There are early signals that this slowdown will probably continue and a more favourable supply/demand situation will exist during the next three months. Monthly milk production from 2007 – 2010 is shown in Figure 1.

**Figure 1: Monthly milk production, 2007 – 2010**



### New head for Agri Inspec

Mr Bertus van Heerden, takes over as the managing director of Agri Inspec in place of Dr Hennie Kleynhans whose contract expired at the end of 2010. Mr van Heerden has extensive knowledge of and experience in the agricultural sector and was, among others, director of Standard Bank Agriculture for almost five years. Mr Bertus de Jongh, CEO of the MPO says

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that the appointment of Mr van Heerden will add a new dimension to the services of Agri Inspec and make a positive contribution towards the protection of milk producers' market.

### **MPO North road show**

Producers are invited to attend the MPO North's road show meetings at the Thatch Palace in Polokwane starting at 11:00 on Wednesday 26 January and Klein Paradys in Modimolle (Nylstroom) starting at 10:00 on 27 January 2011. The guest speaker, Mr Ulrich Joubert, well-known economist will give an overview of economic prospects. The meetings will be informative and insightful and are not to be missed! If further information is required please contact Ms Alta van Zyl at 082 569 1409 or send an e-mail to [alta@mpo.co.za](mailto:alta@mpo.co.za)

### **Services to producers boosted**

The MPO's Institute for Dairy technology has developed a continuous holistic advisory service aimed at improving the efficiency and profitability of milk producers on a sustainable basis. The service includes the involvement of milk buyers and input suppliers in the management of farm businesses and are already being tested by certain milk producers. Learn about the benefits of addressing critical issues like milk quality, optimal feeding, determination of milk price and other management aspects by attending one of the Institute's information days which kicks off in North West province from 25 to 28 January. Milk producers in the North West are urged to attend one of the following information days from 09:30 to 12:30.

<b>Date</b>	<b>Place</b>
25 January 2011	Wesselsbron Lodge, Wesselsbron
26 January 2011	Ottosdal Buiteklub, Ottosdal
27 January 2011	Chess, 1 General Delareystreet, Delareyville
28 January 2011	Clover, Lichtenburg

If you have any enquiries please call Dr Jan du Preez at 083 656 3638 or send an e-mail to [jan.dupreez@mpo.co.za](mailto:jan.dupreez@mpo.co.za)

### **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



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