

# MPO Newsletter / Nuusbrief

28 January 2011

## Total 2010 production 3% more than 2009

Total milk production in 2010 was 3% more than in 2009. 2 580 Million litres of milk were produced in 2010, compared to 2 507 million litres in 2009 and 2 593 million litres in 2008. While production was 3,5% higher in the first half of 2010 than in 2009, production in the second half of the year was only 2,5% more than in 2009. Production growth slowed down since mid-2010. Milk production peaked in November and will now follow its normal downward trend. The heavy rainfall in December and January may result in a quicker than normal downturn in production. The reduction in producer prices during 2010 will also impact negatively on production in 2011.

The total supply of milk consists of local production and net imports (imports less exports). In 2010 the total supply was 2 623 million litres, 4,9% more than 2009. The total annual supply of milk for the period 2008 to 2010 is shown in Table 1. The total supply in 2010 was only 1,7% more than in 2008, caused mainly by lower exports. According to MPO economist Dr Koos Coetzee, higher world prices will probably result in lower imports and higher exports during 2011.

**Table 1: Total supply of milk (Million litres), 2008 - 2010**

Year	2008	2009	2010
Milk production	2 593	2 507	2 581
Imports (ME basis)	124	118	122
Exports (ME basis)	137	124	80
Total supply	<b>2 580</b>	<b>2 501</b>	<b>2 623</b>
Index (2008 = 100)	100.0	96.9	101.7

ME = milk equivalent

**Increased risk of Rift Valley Fever**

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According to the Department of Agriculture, Forestry and Fisheries (DAFF) a case of rift valley fever was reported at Grootbrakrivier, near Mossel Bay while 13 animals on a farm near Wellington were also diagnosed with the disease. Veterinary services in Gauteng are awaiting the results of tests conducted on animals in the Bronkhorstspuit area. Ms Noncedo Vutula, Chief Director: Communication and Information at DAFF cautioned that the widespread rainfall could trigger further occurrences of this viral disease that is spread by mosquitoes. For more information <[click here](#)>.

### **Water quality alert**

The National Water Forum warned farmers in the northern parts of the country to be on the lookout for the possible effects that contaminated water could have on their crops after the recent heavy rains and floods. Diseases and fungi could develop on farm lands that were flooded by contaminated water. In a press statement released by the Water Research Commission (WRC) on 25 January Dr. Gerhard Backeberg, Director for Water Utilisation in Agriculture at the WRC says that, apart from damage to crops, irrigation equipment and farming infrastructure, flooding of irrigation farms along the Orange River leads to the accumulation of salt loads which are later released with irrigation.

To read more <[click here](#)>.

### **Concern about MPO North finances**

At a MPO North management meeting held on 18 January serious concerns were expressed about the projected shortfall in the region's budget for 2011. Agreement was reached that MPO North cannot operate effectively with the funds currently available and a decision was taken to submit a proposal to improve the situation at the MPO national board meeting to be held on 24 February. Market news from the region is that the milk price generally is still under pressure and that a buyer in Mpumalanga recently reduced his price with a further 20c per litre. Management members from Limpopo, Mpumalanga, Gauteng and North West all reported that above average rainfall was experienced during December 2010 and January to date, and that very wet conditions prevail throughout the region. Mr Joubert Fourie, Chairman of MPO North said that mutual loyalty between milk producers and their milk buyers are to the benefit of all and must be pro-actively pursued.

### **Register now for Large Herds Conference**

Don't miss the opportunity to to share information and experiences with local and overseas milk producers as well as internationally acclaimed dairy academics and scientists at the popular Large Herds Conference which takes place at the Regent Hotel, East London, from 6 to 8 June this year. Topics on the programme include *How farmers react to changes in milk*

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price by Mr Basil Doonan, well known farm business management consultant from New Zealand. <[Click here](#)> for full programme details. The deadline for registration is currently

30 April but will be moved if maximum capacity is reached on an earlier date. Producers who are interested in attending the conference are urged to register as soon as possible to avoid disappointment. Register now by following this <[link](#)>. If you have any enquiries please contact Julie McLachlan at 083 740 2720 or send an e-mail to [julie@cendel.co.za](mailto:julie@cendel.co.za) or [julie.mclachlan6@gmail.com](mailto:julie.mclachlan6@gmail.com).

### **Limpopo meetings well attended**

The MPO's first road show meetings held in Polokwane and Modimolle this week were well attended and characterised by positive interaction between milk producers and representatives from the MPO. Producers were enlightened about the MPO's services by the CEO, Mr Bertus de Jongh and in turn made valuable suggestions which will be followed up by MPO management. Dr Koos Coetzee, MPO chief economist and the guest speaker, Mr Ulrich Joubert, provided the latest local and international economic trends, including short and medium term prospects for milk producers. Mr De Jongh said the meetings were a success and that he is encouraged by the trust displayed by milk producers in the MPO.

### **Links**

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

### **Contact us**

**[Bertus de Jongh](#)** – Chief executive officer

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