



MPO Newsletter / Nuusbrief

Represents and empowers the producer
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More price increases

The MPO is receiving an increasing number of reports relating to milk buyers throughout the country adjusting producer prices upwards, in some cases as much as 20 cents per litre. International producer prices increased significantly over the past three months and import parity is R4,00 and above for most products. Mr Bertus de Jongh, CEO of the MPO, said he is concerned about the effect of late increases in producer prices on milk supply in spring. He lauded responsible milk buyers with a long term vision who have already increased producer prices in order to ensure sufficient milk production over the next 18 months. Mr de Jongh made an appeal to the role players in the industry to act responsibly in the interest of the long term sustainability of the dairy industry.

Discussion on Co-operatives Act with dti

Mr Bertus de Jongh, CEO, and Ms Barbara Bieldt, manager market protection and development of the MPO, met with representatives of the Department of Trade and Industry (dti) to discuss the Co-operatives Act and the Co-operatives Amendment Bills. The possibility of tax incentives for members of co-operatives, as well as using co-operatives as a vehicle to obtain funding for empowerment projects were also discussed. Mr de Jongh said farmer co-operatives could play a very important role in addressing the existing imbalances in the dairy value chain and it is therefore critical that government is informed about the specific needs of milk producers in this regard.

Follow –up meeting with SARS on import database

Mr Bertus van Heerden, MD of Agri Inspec, and Ms Barbara Bieldt of the MPO, had a follow-up meeting with representatives of the South African Revenue Services' (SARS) Risk Management Unit to discuss the supply of information that would enable SARS to identify price risks related to imported dairy products. It was decided that detailed information with regard to specific continuous problematic imports will be submitted to SARS for investigation, which would form the basis of future

investigations. Ms Bieldt said the outcome of the meeting was positive and encouraging, and paved the way for addressing single low-priced consignments of dairy products in future.

First meeting of Country Lane Dairy Co-operative

Dr Nico Schutte of the MPO's Cendel attended the meeting of the newly established Country Lane Dairy Co-operative in Clocolan in the Free State on Wednesday. More than 50 commercial and beginner small farmers attended the information meeting where the directors explained the structure of the co-operative and the membership requirements for prospective members. The main objective of the co-operative is to equalise the marketing of milk to prevent low producer prices during surplus periods. In order to attain this competitive advantage Country lane Dairy Co-operative is committed to supply milk of exceptional quality. The formal launch of the co-operative is planned for 22 June.

MPO KZN Central Committee meets

MPO KwaZulu-Natal (KZN) held a Central Committee meeting on Wednesday. Several issues of importance to milk producers in the region were discussed. Mr Bertus de Jongh briefed the committee on the latest international and local economic trends. The MPO was lauded on their involvement in the recent Foot-and-mouth disease outbreak and the continuous flow of up to date information in this regard to producers. Other matters discussed included the continuous identification of emerging farmers in need of information, mentorship and training and the critical role of the MPO in controlling key macro economic factors such as illegal and sub-standard imports and encouraging exports to protect producer prices. The importance of all MPO members accepting the proposed membership fee increase, was emphasized.

MPO Audit Committee considers important issues

The MPO's Audit Committee convened on Thursday to discuss pertinent issues ahead of the MPO national board meeting to be held on Wednesday, 8 June. Draft audited financial statements of the MPO for the 2010 financial year were considered and comments formulated to be submitted to the board. The size of the national board and a more equitable distribution of MPO membership fees between the regions were also considered. Recommendations in this regard will be submitted to the board for consideration at next Wednesday's meeting.

Koos Pienaar re-elected as vice-chairman of ESADA

Mr Koos Pienaar, MPO Free State chairman was unanimously re-elected as vice chairman of the Eastern and Southern African Dairy Association (ESADA) during the 7th ESADA Dairy Conference held in Dar-es-Salaam, Tanzania, last week. The MPO congratulates him on this achievement.

Draft regulations for dairy products published

The Department of Agriculture, Forestry and Fisheries (DAFF) published draft amended regulations for dairy products on 20 May for comment by interested parties by no later than 30 July. The regulations encompass standards for the composition,



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