



# MPO Newsletter / Nuusbrie

*Represents and empowers the producer*  
2011

7 October

## **Ladismith Cheese increases producer price**

Western Cape milk processor, Ladismith Cheese, has announced an increase of 12,9 cents per litre in the producer price with effect from 1 October. Furthermore, milk producers were informed that they will benefit by way of profit sharing at the end of the financial year. The amount will depend on the company's performance but is expected to be in the region of 5 cents per litre. A meeting is planned between Ladismith Cheese management and producers to discuss possible shareholding in the company by producers organised in a group such as a co-operative.

## **Imports increase**

Total imports during January to September 2011 of 31 120 tons of dairy products are 16% more than during the corresponding period in 2010. There was a significant increase in milk powder (+29%) and cheese imports (+10%) while long-life (UHT) milk imports increased by only 3%. According to MPO economist Dr. Koos Coetzee, the growth in imports is of concern to the MPO, in particular, when processors allege that markets are in balance and while producer prices remain stagnant. This is furthermore an indication of raw milk shortages on the local market. Import statistics will be discussed in-depth and risks identified for further action by the MPO and Agri Inspec at their monthly import meeting scheduled for Monday, 10 October. Next week's newsletter will contain further feedback on dairy imports.

## **Sharp increase in import parity**

The import parity price for dairy products is currently 64% higher than a year ago. The increase in import parity was caused by higher international prices and the sharp decrease in the value of the rand. Import parity, based on skimmed milk powder and butter is calculated at R4,30 per litre (September 2011) while producers receive an average price of R2,98 per liter. This import parity price is the second highest since 1996. The disparity between producer and import parity price is on the same record level experienced during August 2007. The disparity at that stage triggered a sharp increase in producer prices.

### Retail sales growth accelerates in 2011

Retail sales of dairy products in the 12 months to June 2011 are substantially better than in the previous year. Figures recently supplied by the Milk Processors Organisation (SAMPRO) indicate that sales in nearly all categories of dairy products are higher than during the previous 12 months. Retail sales growth is also higher than the figures for the 12 months to end April 2011. The percentage growth in sales for specific categories is shown in Table 1.

**Table 1: Growth in retail sales, different periods**

Product	Year-on-year percentage growth		
	12 months to December 2010	12 months to April 2011	12 months to June 2011
Fresh milk	4,6	5,1	4,5
UHT milk	5,1	10,1	11,2
Flavoured milk	3,5	5,1	2,6
Yoghurt	8,5	11,3	11,5
Maas	3,2	7,1	9,4
Pre-packed cheese	8,6	13,5	15,4
Butter	6,0	14,7	10,3
Cream	-----	-----	3,9

### Informative Small Stock Dairy Information Forum

The Southern African Goat & Sheep (SAGS) Milk Processors Organisation. arranged a Small Stock Dairy information Forum aimed at the breeders of milk goats and sheep which was held at the Agricultural Research Institute in Irene, Pretoria on 5 and 6 October. The event was well attended and characterised by positive interaction by participants. Presentations were made on a variety of subjects like rumen health, udder health, milk recording and feeding milk goats. Mr Danie Schutte, chairman MPO Gauteng highlighted MPO support and services to all milk producers. Significant interest was expressed in the training and holistic advisory services offered by the MPO's Institute for Dairy Technology. The events were concluded by an auction of milk goats.

### Morning Milk appoints new managing director

Mr Danie Hugo, contracted as consultant by the MPO's Institute for Dairy Technology and former managing director of Dairybelle was appointed as managing director at Morning Milk, well-known cheese manufacturer in Heidelberg, Western Cape, with effect from 1 October 2011. Mr Hugo is the third associated staff member of the MPO who is appointed in a managerial position by the secondary industry. The MPO congratulates him on his appointment.

### Jersey SA appoints Breed Director

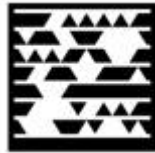
Mr Ray Verster has recently been appointed as Breed Director



for Jersey SA. He has close to thirty years of experience in sales and marketing, agriculture and business. Mr Verster recently emigrated back from New Zealand having been involved in managing large herd dairy farms there for the past 7 years. He owned two farms in SA along with other business interests before leaving for New Zealand and has been involved in the breeding and exporting of embryos and cattle. As Breed Director, Mr Verster will actively promote the Jersey SA member's vision of making the "Jersey Cow the Breed of Choice". The MPO congratulates him on his appointment.

#### **Interview with Newsmaker of the Year**

Mr Jeff Every, chief executive of Amadlelo Agri, received *The Dairy Mail* Newsmaker of the Year award at the MPO gala dinner held on 21 September. On Tuesday, Ms Lise Roberts of RSG conducted an interview with Mr Every. Use the tag below to **listen** to this interesting interview.



(This tag can be scanned from your computer screen.)

#### **Approval for Arla Super Dairy in the UK**

Danish dairy co-operative Arla Foods obtained approval from Aylesbury District Council's planning authority for its new £150 million UK "mega dairy" in Buckinghamshire which will create 700 new jobs. Final approval for the construction of the world's first zero carbon dairy must still be granted by the UK government. According to Arla the dairy will be able to process and package up to 1,3 billion litres of fresh milk every year. Dairyreporter.com reports that a high number of local residents submitted letters of opposition to the council based on the destruction of the countryside and the increased volume of traffic which would result from the construction of the dairy. The CEO of Arla Foods UK Mr Peter Lauritzen said "This will be a state-of-the-art dairy designed to help Arla achieve its growth ambitions in the UK." To read more <[click here](#)>.

#### **MPO vice chairman injured in accident**

Mr Tom Turner, vice chairman of the MPO and president of MPO KZN was injured in an accident on his farm yesterday. He was admitted to the ICU unit of St Anne's Hospital in Pietermaritzburg and is in a stable condition. The MPO wishes him a speedy recovery.

#### **October edition of TDM in the mail**

Watch the mail for this month's edition of *The Dairy Mail* of which the theme is "Environment and manure". The cover

depicts positive growth (the tree of life) in the presence of the relevant environmental factors. Each element which is portrayed as a fruit of the tree is linked to the informative and interesting articles in this magazine.

### Important dates

- **Institute for Dairy Technology (IDT) information days:** Malmesbury, Caledon and Riviersonderend on 11, 12 and 13 October respectively. For more information, please contact 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).
- **International Dairy Federation (IDF) World Dairy Summit** in Parma, Italy, from 15 to 19 October 2011. Please [click here](#) for more information. For all travel and accommodation requirements, contact Sarine Wolmarans of Agri Travel on 012 843 5600 or send an e-mail to [sarine@agrivia.co.za](mailto:sarine@agrivia.co.za).
- **Cape Dairy Experience:** 4 and 5 November 2011, Sandringham, Western Cape. For more information [click here](#) or contact Mariana Rabie on 021 975 4440 or send an e-mail to [mariana@agriexpo.co.za](mailto:mariana@agriexpo.co.za).

### Links

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### Contact us

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#### HOW TO USE THIS FREE FEATURE:

Download the tag reader. There are two ways to do this:

- On your phone's internet browser, go to <http://www.get-tag.mobi> and click on 'download'.
- If you have a smart phone, you can download the tag reader from your phone's App store.

#### SCANNING

Depending on the make and model of your phone, you can either scan or photograph the icon.

- Go to the tag reader on your phone and open it.
- Hold your phone over the icon as if you are going to photograph it. Depending on the type of phone you use, it might scan the icon automatically or require you to take a photograph of the icon.

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