



MPO Newsletter / Nuusbrieff

17 September 2010

Parliament invites MPO to public hearing

The parliamentary portfolio committee on agriculture, forestry and fisheries is undertaking public hearings today in Cape Town, the key objective being to assess the progress that has been made in terms of transforming the South African agricultural landscape.

The MPO was invited to make an oral presentation to these hearings and will be represented by Dr Nico Schutte. He will discuss, among others, support for the development of emerging farmers and sustainability of the commercial farming industry, agricultural support systems and institutions including the development of agricultural and rural self-funding schemes, land in relation to agricultural production, food safety and security and the AgriBEE charter.

“Since 1994, the MPO has contributed substantially to black economic empowerment,” said Mr Bertus de Jongh, CEO. “The current unsympathetic agricultural policy, however, makes it extremely difficult to establish small-scale farmers successfully. Unlike many other agricultural industries with access to trust funds, the MPO has had to make do without such a source. However, the MPO regularly invests more in BEE annually than its entire membership income.”

Importer to be charged

The cheese importer who was reported on in this newsletter two weeks ago and who was accosted by customs officials with the assistance of Agri Inspec in the Durban Harbour will now be criminally charged by the South African Revenue Services. The accused’s import records for the last two years will also be investigated.

Competition Commission to withdraw charges?

The Court of Appeal has ordered the Competition Commission to withdraw their charges against Woodlands Dairy and Milkwood Dairy, stating that the commission’s investigating process was flawed and the direct result of an invalid complaints procedure. The case was brought to the competition tribunal in 2005 and Parmalat, Ladismith Cheese and Clover were indicted initially after allegedly contravening the Competition Act (No 89 of 1998).

More processing companies were involved at a later stage, including Woodlands, Milkwood, Lancewood and Nestlé. In return for disclosing information to the commission, Clover Industries was granted indemnity in respect of some of the charges levelled against them in terms of the Competition Act.

This judgement could mean the commission will have to alter their investigating procedures to comply with the Act and that all parties involved could bring applications similar to those of Woodlands and Milkwood before the court.

“This finding may have far-reaching implications for the industry,” said Bertus de Jongh. “This case

has always been a two-edged sword as it implied possible fines, which may have resulted in the producer footing the bill. On the positive side, it may curtail alleged price collusion.”

International prices firmer

World dairy prices increased substantially since the low level experienced during 2009. The price of full-cream milk powder increased from US \$ 1 850 per tonne in January 2009 to US \$ 3 231 in August 2010, an increase of 75%. During the same period, the price of skimmed milk powder increased by 70%, the price of butter by 117% and the price of cheese by 56%.

The rand-dollar exchange rate affect the rand-based prices of dairy products. In rand terms, international full-cream and skimmed milk powder prices increased by 33% and 29% respectively, butter by 66% and cheese by 20%. The lower increase was partially caused by increase in the value of the rand.

At Wednesday’s Fonterra internet sale, prices were on average 1,9% higher than at the previous sale on 1 September, when prices increased on average by 16,9%. It is a positive sign that the market maintained the price levels determined at the previous sale. Although prices remain quite volatile, there is clearly upward pressure on the market. [Click Here](#)

International trade relations discussed

Dr Koos Coetzee attended a meeting of the Agricultural Trade Forum (ATF) on Thursday. The ATF is the official forum between government and industry where trade relations and trade agreements are discussed, and where government consults with agricultural industries about all import and export agreements.

Officials from the department of agriculture gave progress reports on negotiations between South Africa and its Customs Union partners (Botswana, Lesotho, Namibia and Swaziland), the SA-EU agreement, negotiations with non-EU countries such as Norway and Switzerland and the current status of other pending negotiations.

Little progress was reported on the multilateral talks on the proposed Doha agreement. Industry-specific meetings will take place to determine South Africa’s position within the WTO with regard to products that must be classified as sensitive. Attendance and cooperation within the ATF is important to ensure government takes industry-specific concerns into account in future international agreements.

MPO attends carbon credit workshop

The MPO attended an awareness-raising workshop focusing on carbon finance held in Pretoria this week.

Speakers were Messrs Sizwe Kuzwayo (global carbon market, CDM and carbon finance instruments), Takalani Rambau (host country project approval process), Paul Griffin (the carbon financing opportunities) and Mike McWilliams (Gemini structured carbon financing programme), Mmes Lwazikazi Tyani (opportunities for CDM project financing) and Joslin Andrews (Deloitte carbon/CDM financing instruments), and Dr Johan J van Biljon (CDM potential in agriculture and carbon financed opportunities).

Dr Koos Coetzee, chief economist of the MPO, said it is important to stay abreast of developments in this area to ensure farmers benefit from environmentally friendly farming methods in future.

Department partners with MPO in school milk day

Mr Philip Swart (MPO) and Mrs Alta van Zyl (regional coordinator: MPO North) met with Dr Marinda Visser, chief director of Agriculture Production at the department of agriculture this week to discuss sponsorship of an additional 30 000 school milk activities and colouring-in books.

Dr Visser voiced her appreciation of the MPO and said the school milk day on 12 October assists in addressing food insecurities in the country.

Producers are again requested to become involved in the project. Please contact the MPO regional co-ordinators for more details.

Fatal accident in Zimbabwe

Mr Rob van Vuuren, CEO of the National Association of Dairy Farmers in Zimbabwe, lost his wife, Pam, in a car accident on 9 September 2010. The funeral will be held in Harare on 21 September at 10:00. The MPO offers our deepest sympathies to the family. Our thoughts and prayers are with them all at this sad time.

Links

[MPO](#) - [RSG Landbou](#) - [The Dairy Mail](#)

Contact us

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[Dr Koos Coetzee](#) - Economist

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Neem kennis dat hierdie nie gemorspos is nie. Hierdie is 'n nuusbrieff wat deur die MPO aan u as belangrike rolspeler in die bedryf gestuur word.

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Opgestel deur Agri Connect in samewerking met die MPO