



MELKPRODUSENTE-ORGANISASIE
MILK PRODUCERS' ORGANISATION

MILK BULLETIN

In partnership with
the dairymail
Publication for the dairy industry

Represents and empowers the producer

12 May 2017

Local market

Imports lower than in first quarter of 2016

Total imports during the first quarter of 2017 were 46% lower than during the same period last year. Between January and March 2017 21 112 tonnes of dairy products were imported, compared to 39 490 tonnes in the same period in the previous year. Exports remained constant with 45 500 tonnes exported between January and March 2017, compared to 45 100 tonnes in the same period last year.

Unfold the future at Nampo Harvest Day

The 51st Nampo Harvest Day with the theme “Unfold the future” is being presented outside Bothaville from 16 to 19 May 2017. Toit Wessels, Assistant Manager: Nampo and Marketing of Grain SA, said on the eve of Nampo 2017: “Grain SA wants to ensure that Nampo is the agricultural sector’s most relevant platform and marketplace for innovation, technology, information exchange and discussion. The expansions and innovations, our 2017 theme, “Unfold the future”, and a brand-new Nampo logo prove that the organisation is positive about the role of the Harvest Day in the future of agriculture”.

New outside exhibition spaces bring the total number of exhibitors to more than 700. “In collaboration with exhibiting input suppliers, manufacturers and distributors, the Harvest Day committee is installing the newest and most advanced agricultural technology on one site. The focus of the new, expanded premises near the seed plots is on conservation agriculture equipment and technology in particular”, added Cobus van Coller, Harvest Day chairperson. **Press release.**

Agriculture not yet out of the woods

According to Paul Makube, senior agricultural economist at FNB Business South Africa’s agricultural sector is now on course for recovery but not yet out of the woods. On the back of the devastating drought and the recent downgrades Makube breaks down the impact of economic challenges on the sector as follows:

Impact on the rand – In the longer term the rand might weaken, which may cause inflation to increase and subsequently force the Reserve Bank to either delay interest rate cuts or even raise them.

Increased input costs - While a weaker rand might boost exports, it will increase the cost of input in agriculture, particularly fertiliser, chemicals and fuel, as well as technology, e.g. tractors and combine harvesters which are largely imported.

Increase in consumer inflation - Given that grain prices are based on import parity, which is derived from international prices, a sustained rand weakness will increase local prices, which may fuel consumer inflation, thereby eroding the purchasing power of the man on the street.

Decreased investment levels - Lower investment and confidence in the country will lead to job losses and a further contraction of the overall economy. Government revenues will eventually be negatively impacted as the tax pool declines in the longer term.

“Nonetheless, even in the face of rising economic pressures, the improved confidence in the sector with readings of the recent AgBiz/ IDC Agribusiness Confidence Index trending above 50-index points for three

consecutive quarters indicate resilience in the sector. We therefore still expect a modest rebound in agricultural growth in 2017”, concludes Makube. **Press release.**

International market

Global dairy prices recover

Prices at the latest GlobalDairyTrade auction held on 2 May were 3,6% higher than at the previous sale at the end of April, the fourth increase since the end of February. The Global dairy trade trade-weighted index is now at 1 055, up 10% from February 2017 and 48% up from January 2016. Prices of all products, with the exception of skimmed milk powder where prices decreased marginally, were higher with a sharp 21,8% increase in the price of buttermilk powder. The main reasons for the higher prices are the continuing slow and negative growth of milk production in major exporting countries and the recovery of market demand.

US production grows steadily

Dairy farmers in the United States continued to expand last year with the national dairy herd growing by 59 000 cows. Milk production also continues to grow although profit margins are small. Margins are expected to improve this year and milk production will be higher. Sarina Sharp, agricultural economist with the *Daily Dairy Report* said: “Like last year, dairy producers who also farm will likely have very little farm revenue to cover costs. Land values continue to slip, reducing producers’ potential collateral for loans, and agricultural lenders are in no position to be generous – interest rates are on the rise, and profits look slim for farmers and livestock producers.” Expectations are that costs, in particular wages, will continue to increase in 2017. To read more, click [HERE](#).

Parmalat buys speciality US dairies

Parmalat announced the acquisition of two US dairy companies which specialises in ethnic dairy products, gourmet cheeses and yoghurt products. Karoun Dairies and Blue Isle company serves various ethnic markets in the US such as Middle Eastern, Mediterranean, Indian, European, Hispanic, Greek, Russian and Armenian markets. According to Parmalat the acquisition was important because of the addition of business which is active in the ethnic speciality market. To read more, click [HERE](#).

Training

Schedule your dairy farm training now

Helene Pheiffer, manager of training at the MPO, urges milk producers to schedule their dairy farm training as soon as possible. The Institute for Dairy Technology is continuously updating its schedule of training programmes for 2017. Courses are aimed at dairy farm workers and supervisors. Click [HERE](#) for details of the training programmes offered. Please contact Jas Wasserman at 012 843 5743 or 082 490 2465 for assistance and to book a five-day course.

MPO helps with occupational health and safety issues

The MPO’s Institute for Dairy Technology offers a five-day training course on the occupational health and safety code of best practice for dairy farmers. The course is practical and equips participants with the knowledge they need to comply with the requirements of the Occupational Health and Safety Act. Training is conducted on-farm in the language of preference. Dairy farmers who need assistance in complying with the Department of Labour’s health and safety requirements on their farms are encouraged to contact the Institute to schedule a training programme. The Institute is currently scheduling its training programmes for 2017. Click [HERE](#) for details of all the training programmes offered. Please contact Jas Wasserman at 012 843 5743

or 082 490 2465 for assistance and to book a five-day course.

Technology transfer

Congratulations to the winner of our February competition!

Congratulations to Jurie Hartley of Juna Dairy, who is the winner of *The Dairy Mail's* competition in February to see who knows our industry the best. Jurie's projection of a monthly milk production of 222 million litres in February 2017 earned him a Russell Hobbs 5-in-1 coffee machine valued at R1 800 sponsored by Agri Bonus.

Do you know how much milk was supplied in South Africa in March 2017? Put your knowledge to the test and stand a chance to win. A winner will be announced every month and there are several prizes to be won. After 12 draws, a national winner will be announced at the MPO's 2018 gala dinner. Click [HERE](#) for more information and instructions on how to enter.

Pack people into your toolkit

We have become surrounded by technology, and options such as Google, YouTube and cell phone apps offer quick information and advice on how to do just about anything. The options have never been more widespread or diverse. But how do you know which options are best for our specific conditions and business? How do we pick out that which is beneficial and make the best possible decisions? For advice on how to maximise the potential of your staff, turn to page 56 of the May issue of *The Dairy Mail* for an article by Maja Sakkers, technical sales support specialist at Kemin Industries. To read the digital copy of TDM, go to www.agricconnect.co.za.

Events

You are invited to MPO North West farmers' meetings

MPO North West chairman Johan Strydom invites milk producers to attend the region's route meetings that will be held in Sannieshof, Ottosdal, Klerksdorp and Potchefstroom from 22 to 24 May 2017. The aim of the meetings will be to provide a platform where dairy farmers in the province can exchange ideas and experiences in an informal manner. Dairy farmers who attend the meetings will also have the opportunity to interact with MPO directors and staff. Some of the meetings will be held on dairy farms. Join the MPO North West at one of the meetings below.

| Date | Place |
|-------------------|------------------------|
| Monday, 22 May | Sannieshof |
| Tuesday, 23 May | Ottosdal Klerksdorp |
| Wednesday, 24 May | Potchefstroom |

For more information contact Benita Oelofsen on 073 116 8544 or send an email to benita@mpo.co.za.

Book now for the SA Large Herds 2017

We are hard at work organising the 10th SA Large Herds conference, to be held at Champagne Sports Resort in the Drakensberg from 5 to 7 June. Please visit our website: www.largeherds.co.za for all the information on this conference.

We are bringing you the best speakers on the most relevant topics. After the last conference, we studied the feedback very carefully and also spoke to various dairy farmers, taking every comment to heart. The result is a programme offering pertinent topics and the very best speakers – international and local experts in their

fields - for each topic.

All refreshments and lunches, as well as the meet-and-greet function will be presented in the Buttress and Summit halls. There will be a happy hour each day directly after the conference, which promises to be as popular as at the previous conferences. The Drakensberg Boys Choir will present a musical programme on Monday evening.

To register for the conference, please contact Julie McLachlan on 083 740 2720 or julie@mpo.co.za. Don't delay – avoid disappointment and register NOW.

Accommodation is arranged by Agri Travel & Tours. Please contact Anneke Kubanek on +27 12 843 5724 or anneke@agrivia.co.za to book your accommodation. Please note that accommodation must be booked as soon as possible, otherwise we will lose the rooms that are being kept for us.

Shuttle service to and from SALHC

Delegates to the SA Large Herds Conference, which will be held at the Champagne Sports Resort in KwaZulu-Natal from 5 to 7 June 2017, can make use of shuttle buses scheduled to run between OR Tambo and King Shaka airports and the Champagne Sports Resort. The shuttle buses will depart at 10:30 from OR Tambo Airport and 14:00 from King Shaka Airport on Sunday, 4 June, for the Champagne Sports Resort. The shuttle buses to both airports will depart at 12:30 on Wednesday, 7 June. The price for a one-way transfer from and to OR Tambo Airport is R500 and R400 for a one-way transfer from and to King Shaka Airport. The booking form can be downloaded from www.largeherds.co.za/shuttle_bus_booking_sheet.pdf. Full information can be found at www.largeherds.co.za or contact Julie on julie@mpo.co.za or 083 740 2720

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Links

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Please take note that this e-mail is not spam. It is a newsletter sent from the MPO to you as valuable milk producer.

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