



MILK BULLETIN

In partnership with
the dairymail
Publication for the dairy industry

Represents and empowers the producer

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Local market

An outlook on the agricultural sector

In an outlook for the agricultural sector post-Nampo, Paul Makube, senior agricultural economist for FNB Business, said: "The sector is on course for recovery after the devastating 2015/16 production season. However, the Western Cape and parts of the Eastern Cape are exceptions as conditions there have deteriorated with water levels in dams falling way below 20%. Despite this, Nampo provided some key insights into the sector".

Makube summarises the outlook for agriculture as follows:

- Positive South African potential harvest of grain and oilseed crops for 2016/17 (18,03 million tonnes).
- Stabilisation of maize prices to current levels of below R2 000 per tonne.
- The improved availability of sunflower and soyabean crops expected to result in lower animal feed costs.
- The wheat crop looks promising.
- The livestock market remains on an upward trajectory with gains across the board. Supplies are tight as a result of herd rebuilding in the case of beef and sheep.

"The strong rebound in agricultural output bodes well for inflation and consumers will breathe a sigh of relief as most grain and horticulture products and by-products should decline in price. This should assist the SARB to keep interest rates on hold for a bit longer," concludes Makube.

To read more, click [HERE](#).

The elasticity of demand for UHT products

There is a difference of opinion among interested parties in the dairy sector about whether the demand for dairy products is elastic or inelastic. Dr Koos Coetzee, MPO economist, decided to attempt to quantify the demand for UHT milk in two periods in terms of the price elasticity of demand.

For this purpose, information on the market trends in terms of both sales volumes and prices for different dairy products obtained from Nielsen and published by Sampro (Sampro, 2017) and information on the monthly retail prices for a variety of dairy products obtained from BMI were used.

Based on the sales data supplied by Sampro and price data as reported by BMI the change in retail prices in both periods did not result in a similar or larger decrease in the quantity sold. Based on the total revenue rule, it can thus be concluded that the demand for UHT milk in the retail stores surveyed by Nielsen is inelastic. To read more, click [HERE](#).

No-Till Conservation Agriculture launches e-newsletter

No-Till Conservation Agriculture (No-Till CA) recently launched its first e-newsletter in order to reach a wider audience of farmers and agricultural advisers with encouragement and ideas on the adaptations and technical

applications required by No-Till CA. To read the newsletter, click [HERE](#).

MPO training and market situation overview

Helene Pheiffer, manager training at the MPO and Dr Koos Coetzee, MPO economist, gave an overview of the training programmes offered by the MPO's Institute and the local and international dairy market situation, respectively, in interviews broadcast on Groot Ontbyt on 16 June 2017. To watch the video of the broadcast, click [HERE](#).

GEA launches innovative technology in South Africa

GEA has launched innovative technology in South Africa which is revolutionising the way large dairy farms are receiving their teat dip products on-farm. For more information in this regard, click [HERE](#).

International market

Downwards international dairy product price cycle at an end

According to Dr Koos Coetzee, MPO economist who attended the 18th annual congress of the International Farm Comparison Network (IFCN) in Kiel, the consensus opinion of delegates was that the crisis is over. The large volatility of dairy product prices experienced since 2014 has come to an end. This was the consensus of the delegates attending the 18th conference of the International Farm Comparison Network (IFCN) in Kiel, Germany from 12 to 14 June 2017.

Lukasz Wyrzykowski, IFCN analyst, presented the IFCN's short-term dairy outlook. Milk production growth for 2017 is estimated at 16 million tonnes of energy-corrected milk (ECM), up from 9 million tonnes ECM in 2016. Dairy demand is expected to grow by 14 million tonnes in 2017, increasing to 20 million tonnes in 2018. Global dairy stocks, estimated at 9 million tonnes ECM in 2016, is expected to decrease slightly to 2017 and remain stable in 2018.

The conference was attended by dairy scientists from 45 countries. Dr Coetzee was honoured at the conference for his contribution to the IFCN Network. His attendance is funded through the Industry Information project of Milk SA. To read more, click [HERE](#).

FrieslandCampina commissions fifth facility in Nigeria

FrieslandCampina WAMCO Nigeria PLC has commissioned a fifth milk collection facility for its Dairy Development Programme (DDP) in Saki, Oyo State. The facility was launched by the Executive Governor of Oyo State on 8 June. Ore Famurewa Corporate Affairs Director stated: "Since 2011, FrieslandCampina WAMCO has been investing in the DDP and has established the country's largest milk collection network. Today, the company collects milk from about 1 700 farmers in over 70 communities in Oyo State, who as a result receive good remuneration directly from the company." To read more, click [HERE](#).

DairyNZ launches environmental plan

DairyNZ launched its **Dairy Action for Climate Change** document on Wednesday. The plan is a commitment by DairyNZ to build the foundation to support dairy farmers and the wider dairy industry to reduce greenhouse gases over the longer term.

The plan was developed in partnership with Fonterra, with the support of the Ministry for Primary Industries and the Ministry for the Environment.

It is the first step of a longer plan to improve dairy farms' environmental footprint, to understand what the dairy sector can do in conjunction with the wider agricultural sector, plus industry and urban communities, to meet New Zealand's greenhouse gas emissions reduction targets. To read more, click [HERE](#).

Research

Food is not just the sum of its nutrients

The nutritional value of a food should be evaluated based on the foodstuff as a whole, and not as an effect of individual nutrients. This is the conclusion of an international expert panel of epidemiologists, physicians, food and nutrition scientists. Their conclusion reshapes our understanding of the importance of nutrients and their interaction.

Traditionally, investigations of a foodstuff's implications for human health focus on the content of individual nutrients such as proteins, fats and carbohydrates. However, newer research shows that the health effects of a food product cannot be determined based on the individual nutrients it contains. The food must be evaluated as a whole – together with other foods eaten at the same time. The findings of the expert panel have been published in the scientific journal the *American Journal of Clinical Nutrition*. To view the press release, click [HERE](#).

Training

Schedule your dairy farm training now

Helene Pheiffer, training manager 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. Their 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/or 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/or to book a five-day course.

Technology transfer

Enter our competition!

Do you know how much milk was supplied in South Africa in April 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.

Six decades and still going strong

One would be inclined to forgive Mike Reed, a legend in the dairy farming industry who turns eighty in August, if he were to hit the snooze button on the alarm clock jangling next to him and go back to sleep! But this doesn't happen with this octogenarian, who has milk coursing through his veins. He is up with the sparrows, intent on doing a full day's work among the animals he has come to love and respect. To read about Mike Reed's journey in dairy farming, turn to page 118 of the June issue of *The Dairy Mail*. 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 route meetings, which will be held in Leeudoringstad and Schweizer-Reneke on 27 and 28 June, respectively. The aim of the meetings is 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 listed below.

Date	Time	Place	Venue
Tuesday, 27 June	11:00	Leeudoringstad	Bowling club
Wednesday, 28 June	11:00	Schweizer-Reneke	Johan Scribante's farm

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

Save the date – MPO Gauteng Dairy Day, 9 August 2017

Save the date for the annual MPO Gauteng Dairy Day, which will take place on 9 August at Belnori Boutique Cheesery in Bapsfontein, Gauteng. Rina Belcher has an interesting programme planned for the day, which includes a hoof cutting and dehorning demonstration. For enquiries, please contact Rina at 082 377 5698 or send an email to belnori220@gmail.com.

Disclaimer: The MPO Milk Bulletin is compiled from sources deemed reliable. However, the publisher accepts no responsibility for any errors or the effect of any decisions based on this publication.

Links

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

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