



For immediate release

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WHY RIOTS LEAD TO DUMPING OF MILK

It is heart-breaking to witness the devastating effects of the nationwide protests and looting. Dairy producers in KwaZulu-Natal have not been spared and have been seen dumping thousands of litres of fresh milk this week. Milk trucks on blocked collection routes were literally brought to a standstill and had to criss-cross fields to decant milk, a perishable product.

“Considering that approximately two million litres of milk are produced daily in KwaZulu-Natal alone and that milk could not be distributed, the dairy producers in this province have been severely impacted,” says Fanie Ferreira, acting executive officer of the Milk Producers’ Organisation (MPO). “Also, cows still have to be milked.”

It is believed that the disruption in the supply chain will have a significant effect on the retail supply of milk in the near future.

“We are finding it increasingly difficult to get products such as animal feed delivered to the farms, because of road closures and attacks by looters, and another concern is the predicted fuel shortages,” says Colin Wellbeloved, a KwaZulu-Natal farmer from the Boston area and national chairman of the MPO.

Disruption in the route to the market occurs in the following circumstances:

- Where milk cannot be transported off the farm and therefore has to be dumped. Fresh milk is a perishable product that spoils quickly if not processed and unprocessed milk cannot be stored for a long period on-farm.
- Where unprocessed milk can be delivered to processing plants, but some plants are not in full operation, due to the impact of personnel not showing up for work as a result of the travel safety risk and intimidation.
- Where plants that are functioning cannot transport the processed milk and dairy products to retailers, due to roads being blocked or closed and the security risk in terms of road freight in certain areas.
- Where there is no longer access to consumers. The information that has been released regarding the number of stores and shopping centres that have been destroyed indicates that access to the consumer in certain areas no longer exists. This is the last link in the value chain and when it is broken the value chain can no longer function in certain areas.

“We can say with gratitude that losses in milk volume are limited to KwaZulu-Natal. In other provinces, the damage has been limited to shops and road infrastructure. Damage to vehicles and roads will certainly harm the supply chain to retail outlets. The extent of this damage will be determined over time. Damage to the dairy industry due to milk dumping will also only be determined later,” says Philip Swart, member services manager at the MPO. “This is a major concern for the MPO.”



“The dynamics of the market have, once again, shown that you have to remain humble because it can literally change within hours. We are uncertain about what the effect will be over the next few days, and also, over the next few weeks, and what the sum total of the losses will be by the end of the year, says Bertus van Heerden, chief economist of the MPO. “What we can say, is that the market can be very innovative, if the environment in which the market operates allows this.”

Certain processors have confirmed that there is enough milk and dairy products in the country and, specifically, in KwaZulu-Natal and Gauteng. The supply chain is rapidly returning to normal and should be fully operational by the coming weekend. Obviously, that depends on the unrest being properly quelled and the N3 being operational.

Consumers should not panic, since supplies will be forthcoming once the unrest is controlled.

“The dairy industry is not in a crisis, although some serious damage has been done to certain infrastructure, with monetary losses right through the value chain,” says Van Heerden.

Colin Wellbeloved has been invited to engage the Minister of Agricultural, Thoko Didiza, of the Department of Agriculture, Land Reform and Rural Development, on the matter in Durban on Friday, 16 July.

Our thoughts, empathy, and prayers are with our dairy farmers, who have endured hardship due to the riots and turmoil.

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For more information, contact:

Fanie Ferreira

083 453 9339

fanief@mpo.co.za

Colin Wellbeloved

082 498 7838

melrosefarm@vodamail.co.za