

Improved website offers more

The MPO recently upgraded and redesigned its website to offer improved services to producers and consumers countrywide. The website, www.mpo.co.za, is aimed at providing producers with up-to-date information relevant to the dairy industry. Philip Swart, who coordinates the MPO website, said the key aspects taken into consideration when designing the site was that it had to be user-friendly, uncomplicated and easy to navigate. He believes they achieved their goals.

“Visitors using the website will be able to receive feedback from the MPO and Agri Inspec regarding illegal imports, import statistics and news relating to import control”

Swart said that they had focused specifically on the five strategic core functions of the MPO. This includes market protection, information, communication, technology transfer and the members' desk. The homepage contains a short history on the MPO and a summary of the role and function of the organisation. This gives a look at the MPO's roots and how it became the organisation it is today.

The core functions of the MPO are located on the right-hand side of the page. Each function contains a number of subcategories with information relevant to that function. Each core function contains a brief summary of its functions and purpose, giving background information about the MPO.

Market protection

We start with Market Protection, as it plays a vital role in the MPO's mandate to control illegal and substandard imports. This function is headed by Ms Barbara Bieldt, manager: Market protection of the MPO. This function is divided into two categories, namely Agri Inspec and the Technical Liaison Committee.

Visitors using the website will be able to receive feedback from the MPO and Agri Inspec regarding illegal imports, import statistics and news relating to import control. The Technical Liaison Committee link contains information on the successful committee started by Ms Bieldt to address problems in the dairy market sector. This committee is made up of officials from the MPO, the South African Revenue Services and departments of health and agriculture. The committee meets once every three months and all feedback from these meetings will be posted on the website.

Communication

The second function on the MPO's website is Communication. The MPO views this function as especially vital to keep milk producers informed of the latest dairy news and statistics. This function keeps milk producers abreast of the latest research, new technology, local and international trends, news and events, which may have an influence on their farming enterprises. All general news and press releases related to the industry are posted here, as well as the weekly MPO newsletter distributed to milk producers countrywide. The gallery section will be used to showcase local farmers and their herds, as well as any snapshots taken at MPO meetings, including the road shows.



Information

The third strategic function is Information. The MPO believes up-to-date information allows milk producers to take informed decisions in the current free market environment and to negotiate meaningfully with other role-players in the value chain, such as milk buyers. The subcategories in this function comprise Statistics, Industry Information, Lacto Data and Economic Indicators. Dr Koos Coetzee, MPO economist, provides the relevant information for each category.

Visitors to the site will be able to view data regarding international and local dairy and economic trends, producer, processor and retail prices of milk and dairy products, annual forecasts, international competitiveness of local producers and much more.

Technology

The fourth function on the website is Technology. This brings the MPO's Institute for Dairy Technology (IDT) and Centre for Producer Development (CenDel) together. Drs Jan du Preez and Nico Schutte are in charge of these organisations. This function allows producers to keep abreast of dates and news from training days, farmer days, the popular Large Herds Conference, All Africa Dairy School & Expo and the IDF World Dairy Summit.

In addition, producers can also read Agri-BEE, farm worker training, technology transfer and mentorship programmes. This sector also has its own gallery, where producers can see if they have been snapped at a training day or two.



Members' Desk

The fifth core function of the MPO is the Members' Desk. This function enables producers to view information relevant to their regions. This includes news, important dates, feedback from regional meetings and announcements from the chairpersons of their respective regions.

These categories are supplemented by links leading to other websites such as those of *The Dairy Mail*, SARS, ITAC and other institutions. An important addition is the

calendar containing the dates of important MPO meetings and training days.

Swart said the website is continually updated and improved to provide producers the best of what the MPO has to offer.

He says the website is a vital link in the MPO, aiming to keep producers informed of all relevant dairy matters, both locally and internationally.

Members who want to contact Philip can reach him at philip@mipo.co.za. [TDM](#)

MPO Nuus

Werksgroep kyk na kaasinvoere

Die MPO, onder leiding van me Barbara Bieldt, het onlangs met verteenwoordigers van die sekondêre bedryf vergader om onder andere die SA/EU-handelsooreenskoms wat binnekort geïmplementeer gaan word, te bespreek. Die doeanee-en-markbeheerwerksgroep het na die administrasie en beheer van toegewings gekyk wat die Europese Unie in staat sal stel om ongeveer 6 500 ton kaas teen geen tarief na Suid-Afrika uit te voer.

Die ooreenkoms bepaal egter dat die kaas nie gesubsidieer mag wees nie. Me Bieldt sê die Suid-Afrikaanse Inkomstediens gaan genader word om onduidelikhede rakende die administrasie en beheer van kaaskwota-toewysings vanuit die EU uit te skakel en te verseker dat daar geen skuiwergate is nie.

Die vergadering het verder uitvoersertifisering bespreek en na die plaaslike invoersituasie, veral die invoer van UHT-melk, gekyk.

2012 World Dairy Summit in SA

South Africa is the host country for the International Dairy Federation's (IDF) 2012 World Dairy Summit. The summit is an annual event during which the world's dairy leaders come together to discuss and plan the future of dairy. Bertus de Jongh, CEO of the MPO, says the summit is a wonderful opportunity for South Africa and the local dairy industry to put their best foot forward.

The MPO last month met with representatives of the IDF and other dairy organisations to discuss the summit. Items on the agenda included the budget, theme, venue and speakers. The summit attracts up to 2 500 visitors each year. Dairy farmers attend the summit to listen and take part in the informative discussions and workshops presented. Other draw cards include the newest developments in dairy technology as well as the chance to share information with dairy farmers from around

the world. This year's summit will be held in New Zealand.

Suiwelkenners positief oor toekoms

Internasionale suiwelkenners is oor die algemeen positief oor die toekoms. So sê dr Koos Coetzee, wat die jaarlikse kongres van die International Farm Comparison Network (IFCN) in Duitsland in Junie bygewoon het. Dit is volgens Coetzee die algemene gevoel onder die 65 suiwelwetenskaplikes by die kongres. Hy meen dit dui daarop dat produsenteprystendense positief gaan wees in die volgende twee jaar. 'n Studie deur die IFCN toon dat melkproduksie stadiger groei as melkverbruik, grootliks weens 'n groeiende bevolking en verbeterde ekonomiese groei, veral in ontwikkelende lande. Hoewel prysaanduiders positief is, gaan die wisselende pryse wat die afgelope twee jaar ervaar word, grootliks voortduur en is dit bykans onmoontlik om korttermynprystendense te voorspel.

CenDel help opkomende boere

Die MPO se Sentrum vir Produsenteontwikkeling (CenDel) het verlede maand met verteenwoordigers van die Gautengse provinsiale departement van landbou en ander landbouorganisasies vergader om die herkapitalisering van opkomende boere te bespreek. Dr Nico Schutte, besturende direkteur van CenDel, sê dat die regering hulp aan alle bestaande opkomende boere wat onder druk is, wil verleen. CenDel en die MPO se Instituut vir Suiweltegnologie (IST) is genader om die regering by te staan. Schutte sê CenDel gaan ook hulp verleen om opkomende, behoeftige boere te identifiseer en sal mentors aanstel om te verseker dat die geld reg aangewend word.

SA milk producers on par with world

Preliminary results made available during the IFCN conference indicates that South African milk producers in 2009 once again produced

MPO Nuus

milk at a lower cost than in many other countries. South Africa's production costs, in both pasture and TMR-based systems, is comparable to the production costs of similar systems in other countries and in many cases even lower than in top countries. According to Coetzee, who represents the local dairy industry at the conference, it is encouraging that the South African milk producer can still produce milk competitively.

MPO clamps down on importers

The MPO and its forensic investigation company, Agri Inspec, are currently clamping down on more importers of low-priced and substandard dairy products. Ms Barbara Bieldt of the MPO says that they recently achieved success by forwarding the details of a number of importers, who imported dairy products at prices lower than the current market and international prices, to the South African Revenue Services' risk management department. Bieldt says the prices of some of the importers involved had doubled as a result of these actions.

The MPO is also planning to organise meetings with the minister of trade and industry as well as the high commissioner of the International Trade Administration Commission (ITAC) to discuss the effect of low-priced imports on milk producers. A formal complaint will also be lodged with the American agricultural attaché regarding consignments of milk powder and cheese, which were imported from the USA at low prices.

Although small amounts were imported, Bieldt says the products were subsidised by the US government and is imported at uncompetitive prices. The MPO will apply pressure in a bid to encourage the American government to take action against these importers and supply the relevant information to the South African authorities. These steps previously yielded positive results.

MPO verhoed Chinese invoere

Die MPO het tydens sy onlangse maandelikse invoervergadering met Agri Inspec verneem dat sy aksies ten opsigte van onwettige invoere daartoe gelei het dat geen invoere van China na Suid-Afrika die afgelope drie maande binnegekom het nie. Mnr Bertus de Jongh sê die MPO het hom veral op onwettige en substandaard-invoere toegespits.

Hy sê verder Agri Inspec ondersoek die moontlikheid om permanente kantore by Durban en Kaapstad se hawens op te rig in 'n poging om die amptenare van Agri Inspec by dié hawens te ondersteun om invoere beter te kan beheer.

MPO, Agri Inspec en SAID vergader

Die MPO het onlangs met die hoofde van die Suid-Afrikaanse Inkomstediens (SAID) se risikobeheer- en waardebepalingsafdelings vergader om inligting rakende onwettige invoere uit te ruil.

Die MPO, verteenwoordig deur me Barbara Bieldt, me Adel Spies en mnr Hennie Kleynhans van Agri Inspec, het inligting oor laaggeprysde en substandaard-invoere aan die SAID voorgelê en voorstelle gemaak oor hoe invoere nog beter beheer kan word. Bieldt sê die onderskeie afdelingshoofde was beïndruk met die inligting wat Agri Inspec aan hulle beskikbaar gestel het. Die vergadering het ooreengekom dat Agri Inspec en die twee afdelings van die SAID in die toekoms baie nou gaan saamwerk en op 'n gereelde grondslag inligting oor invoere gaan bespreek.

Die MPO en die SAID is opgewonde oor die nuwe vlak van samewerking en ondersteuning wat gaan lei tot meer doeltreffende beheer oor, onder andere, invoerpryse, gehalte en verkeerde verklarings. Bieldt sê hierdie ooreenkoms sal ook daartoe lei dat invoerders wat hulself herhaaldelik aan onwettige invoere skuldig maak, ook vasgetrek sal word. [TDM](#)



**MILK PRODUCERS' ORGANISATION
NATIONAL CONGRESS
AND GALA DINNER**

**THE 2010 RED
LETTER DAY
FOR THE DAIRY INDUSTRY**

**24th and 25th of August
Indaba Lodge, Witkoppen, Gauteng**

**For more information, e-mail Julie McLachlan.
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Trends

Global dairy industry recovering

by **Koos Coetzee**

The International Farm Comparison Network (IFCN) is a network of dairy scientists that work together to gain a better understanding of milk production worldwide. This is done through farm level comparisons in 45 countries and an analysis of the dairy industries in 85 countries. The International Farm Comparison Network's (IFCN) 11th Dairy Conference took place in Kiel in northern Germany during June 2010.

A difficult year

The year 2009 can be defined as the worst year for dairy farming almost everywhere in the world. IFCN is currently comparing typical dairy farms from 45 countries. First results show that less than 45% of these farms can cover their full economic costs mainly because of very low milk prices. Compared with 2008, a substantial costs reduction in US\$ was observed in most countries. These cost reductions were driven by lower input prices, currency devaluations to the US\$, improvement of farmers efficiency and the short-term cost savings as farmers postponed capital expenditure during the economic crisis.

Milk producers will not be able to produce milk sustainably at the cost levels achieved during 2009.

The fast recovery of the world milk price, which started in August 2009, has stabilised the situation somewhat.



Dr Koos Coetzee

Quick recovery

In contrast to last year's conference, the latest conference took place at a time when world dairy prices had recovered from the 2009 levels. The speed of the recovery took dairy scientists by surprise. At the 10th conference, held in June 2009 in Sweden, the majority of scientists estimated that world prices would recover to US\$30 per 100 kg milk (about R2,30 per litre) by March 2010. By September 2009, world prices already exceeded US\$30 and has since increased to US\$45.

The South African producer price also decreased from 2008, but not to the same extent as the world price. The recovery since has also been slower and less spectacular. International and South African producer price trends are shown in *Figure 1*.

Trends



Outlook to 2011

Supply and demand factors drive international dairy product prices from which producer prices are derived. On the supply side, the ratio between milk and feed prices has improved. The South African milk:feed price ratio has also improved since 2008 (Figure 2). However, the ratio did not improve for farmers who buy ready mixed concentrates. The demand for dairy products has improved since the recession of 2008/2009. Global GDP improved from -1% in 2009 to an estimated 4% for 2010.

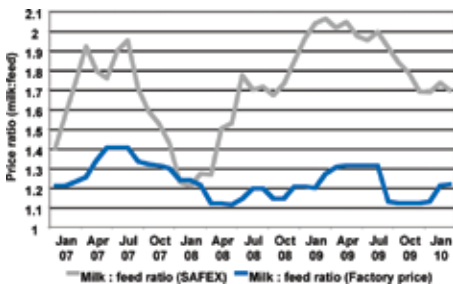
World milk-production growth for 2009 is estimated at less than 1%, compared to 2%+ growth in the previous two years. World milk supply is estimated to grow by about 6 million tonnes and demand is estimated to grow by

about 5 million tonnes milk equivalent in 2009. The IFCN estimates that world dairy stocks will increase in 2009 by between 1 and 2 million tonnes.

Based on the IFCN analysis of production cost in the different countries, it is clear that a producer price of below US\$30 per 100 kg is not really sustainable. The consensus at the meeting was that a producer price of between US\$35 and US\$45 per 100 kg of milk is highly likely in future.

In time, higher world prices result in higher local prices. Current international product prices imply an import parity price, about 35 cents above the South African producer prices, which will have a positive effect. However, local conditions will still play a major role. [TDM](#)

FIGURE 1: International and South African producer price trends 2008–2010



Source: SA prices MPO, World price: IFCN calculation from international product prices.

FIGURE 2: South African milk : feed price ratio based on SAFEX price quotes and list price of basic dairy meal



Source: MPO calculations from SAFEX and MPO data.

The Milk Producers' Organisation's (MPO) Institute for Dairy Technology (IDT), in collaboration with its partners, provide new and relevant dairy farming information and technology to commercial dairy farmers countrywide. Information transferred during the dairy information days

Melk SA Opleiding

Melk SA se opleidingsprojek vir voorheen benadeeldes het al verskeie plaaswerkers en opkomende boere (meer as 6 000) onder die bekwame bestuur van die Instituut vir Suiveltegnologie bemagtig.

Soos met ander Melk SA-projekte, moet bemagtigingsprojekte soos die bydra tot die mededingendheid van die suivelbedryf. Die kursusse word deur instrukteurs (assessors) in studente se moedertaal aangebied.

Kursusse bestaan oorwegend uit 30% lesings (teorie) en 70% praktiese toepassing, demonstrasies en selfoefening. Kursusse word landwyd aangebied vir werkers van kommersiële en opkomende melkboere. Opleiding geskied op melkplase en ander opleidingsinstansies. Studente word ná suksesvolle voltooiing geëvalueer en ontvang dan 'n geakkrediteerde sertifikaat. Hierdie kursusse bemagtig studente met vaardighede en op intellektuele vlak, en bevorder studente se bedingingsmag, selfbeeld, selfvertroue en besluitnemingsvermoë.

Vir meer inligting, kontak Jas Wasserman by 082 490 2465 of by jas@mpo.co.za.



- 1 Die instrukteur, Phillip Pheto (eerste ry regs), by werkers wat sertifikate ontvang het
- 2 Demonstrasies aan melkers om vir mastitis voor melking te toets
- 3 Die instrukteur, Justice Mathebula (regs), verduidelik konsepte van higiëne met melkwinning

Underberg

- 4 Dairy farmers John Wallis, Adriaan Vlok (guest speaker, former minister) and Alastair McDougall.

Creighton

- 5 Dr Mohamed Moola (Virbac, speaker), Herman Steyn (Virbac), dairy farmer

Milk SA training



include milk quality, animal health, milk recording, feeding, pastures and milk harvesting. Workers of commercial farmers are trained in milk hygiene, milk harvesting, heat observation and animal husbandry. Contact Jas Wasserman for farm worker training at 082 490 2465 or jas@mpo.co.za



Charl van Pletzen and Rian Herholdt (Virbac).

- 6 Dairy farmers Ging Mackenzie, Jerro Canton, Paddy Carr and Alison Lettenga

Nottingham Road

- 7 Dairy farmers Garth Ratsey, Erwin Driemeyer and Justin Driemeyer

Dundee

- 8 Dairy farmers at the lecture

Bethal

(Animal health course: Afagri)

- 9 Dr Faffa Malan lecture to students of Afagri [TDM](#)