

Milk Essay

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Tel 012 460 7312 • www.milk.co.za



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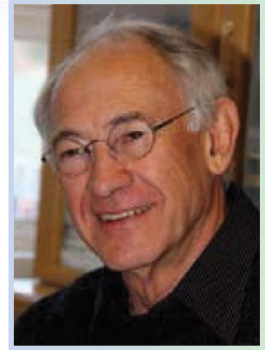
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This is a publication of Milk SA. Milk SA was founded by the primary and secondary dairy industry sectors to promote a healthy South African dairy industry.

Message from the Chairman

Government Gazette No. 37153 of December 20, 2013 gave all the participants in the activities of Milk SA a positive pat on the shoulder for work well done during the past eight years. The Board of Directors supports this positive patronage for dedicated work. The Board appreciates and thanks all who unceremoniously add extra effort in building and managing a first-rate organisation to the collective benefit of primary producers, milk processors and consumers. From the Board of Directors we pray that we will all muster, as in the past, the necessary team spirit, values and belief in our Creator and ourselves to make 2014 another excellent Milk SA year.

We in Milk SA cannot be jubilant without thanking Minister Tina Joemat-Pettersson who approved our request to build cooperatively through transformation, research, consumer education and ensuring safe dairy products a stronger and more equi-



Prof Chris Blynaut

table RSA dairy market and industry. Thank you Minister, your support is appreciated. The NAMC worked through the lengthy request presented and listened to arguments regarding the request – we thank them for their objective approach. SAMPRO and the MPO worked shoulder to shoulder in preparing an excellent application which is appreciated.

The trust in our ability to execute what is expected humbles Milk SA's Board of Directors. However, jointly we believe that the larger the challenge the stronger the will to succeed and to do so magnificently.

Minister approves the continuation of the statutory regulations

The Minister has approved the continuation and amendment of the statutory regulations, effectively from 20 December 2013 until 31 December 2017. The Minister does not approve regulations for periods longer than four years. Nico Fouché, CEO of Milk SA said this was

the third round of regulations since 2005 and it showed that Milk SA's objectives and activities are still relevant to promote a healthy South African dairy industry. He added that Milk SA constantly improves on the detail of the projects, taking into account the industry's requirements

New Year's message from the CEO



Nico Fouché

I still clearly remember the early volatile days of Milk SA in 2002 when, at the first Members' meeting, a motion of no-confidence was brought against the Chairman at the time, because of the low producer prices. We tried the "under one roof" dairy family situation with SAMPRO, MPO and Milk SA - which only lasted a couple of months before that dream collapsed. Truly a pity, but once again the principles of specific focus and identity were reinforced.

which are necessary to increase the competitiveness of the dairy industry.

The levy on raw milk, which has not seen an increase since 2003, has now been increased from 1,0 cents to 1,3 cents per kilogramme. Fouché said the increase was necessary to finance the projects which have grown immensely in scope and intensity over the past number of years.

Twelve years later Milk SA has become a cornerstone of the South African dairy industry, facing the real challenges and servicing this industry with reliable industry information, addressing confirmed research and training requirements of the primary and secondary industry sectors, taking remedial action to ensure compliance with quality and safety legislation, promoting the image of the SA dairy industry and its products, and many more functions that dovetail with Government's objectives. In these endeavours, the co-operation and foresight of the MPO and SAMPRO are invaluable.

So, what's in store for 2014? I recently watched a video produced by Dewitt Jones, a renowned photographer for *National Geographic*, where he reinforced the message: "Don't prove yourself, improve yourself." This is exactly what we as Milk SA are doing in 2014, and I hope that every role-player will embrace this motto. Milk SA is not the institution where price decisions are taken, or where strategies to that effect are on the table at all. Here at Milk SA, we understand the importance of price and a sustainable, competitive South African dairy industry - hence our focus on the "hard-core" issues that empower the industry with knowledge and skill.

I wish everyone in the dairy chain a fulfilling 2014 and may you all continue to improve on your activities (and profit)!

Milk Producers talk Research

The National Producer Research Work Group of Milk SA had its first meeting on Monday, 2 December. The members of the Work Group were nominated by the MPO from its various regions.

This Work Group came forward with research proposals which are extremely relevant to the primary industry and which should also promote the competitiveness of the South African dairy industry as a whole.

The most important issues which should receive attention were identified as follows:

- The incidence and treatment of liver fluke and other pasture-related problems;
- Resistance to available antibiotics by dairy cows suffering from mastitis;
- The prevalence of milk flocculation after heat treatment in certain geographical areas.
- The effectiveness of products for the treatment of diseases in dairy cattle;

related protocols; and registration requirements of veterinary products.

- The optimal combination of winter cereal crops planted for silage (such as a combination of crops vs one crop only); the optimal use of wheat for silage; and the control of weeds in wheat fields.

The Research Project Evaluation Committee (RPEC) will – in consultation with the Chairman of the Work Group, Nigel Lok – determine what the specific instructions in this regard should be, after which research projects will be considered.

The Work Group also decided to request Milk SA to make its research activities known to the milk producers in cooperation with the MPO.

The members of the Work Group are Nina Slabber and Gert Beyleveld (Western Cape), Tigger Bryden and Carl Schiever (KZN), Nigel Lok and Lourens Gildenhuys (Eastern Cape), Joubert Fourie (MPO North) and Hendrik Knobel (Free State).

Milk SA signs contract with MPO for a National Disease Monitoring project



Philip Swart (MPO) and Nico Fouché (Milk SA) signing the contract.

Milk producers have identified the need for a system whereby dairy animal disease data is collected and analysed on a national basis, so as to provide management information. While trends – and in the long run also predictive models – per area will be available, advice on preventative and remedial measures will also be shared with role-players.

Eastern Seaboard Consortium takes shape ...



The "ESCORD Team" at Döhne in November 2013.

From left to right are Jeff Every (Amadlelo), Prof Voster Muchenje (University of Fort Hare), Dr Trevor Dugmore (KZN Dept of Agriculture & Environmental Affairs: Cedara), Prof John Mupangwa (University of Fort Hare), Nico Fouché (Milk SA), Dr Jean Rust (Dept of Rural Development & Agrarian Reform) and Dr Tina Rust (Dept of Rural Development & Agrarian Reform).

Traditionally, the eastern seaboard pasture-based dairy production systems are served by Cedara in KZN, Döhne in the Eastern Cape and Outeniqua in the Western Cape. Located in separate provinces, there has been limited co-operation between these centres even though they deal with similar R & D problems.

In some instances they also had to down-scale because of costs which limited their capacity to deal with farmer needs and problems. A further limitation is that researchers sometimes want to test their findings under larger, as well as commercial conditions.

Milk SA is in the process of addressing these limitations through the development of a co-operative research network between Amadlelo Agri, Cedara, Döhne, Fort Hare University and Outeniqua, appropriately called the Eastern Seaboard Consortium for Research in Dairying (ESCORD).

It is envisaged that other prominent farmers and relevant tertiary institutions may join the consortium once it is up and running. Current participants and involved provincial officials are enthusiastic about the possibilities that ESCORD provide to more effectively serve the needs of farmers across the board.

First 'Dairyman' assessment by SAMPRO



Gerhard Venter, with Mareli Prinsloo (left) and Moses Mokaloba (middle).

The first final, external, integrated assessment for the Dairyman pilot project took place on 6 and 7 September 2013. The candidate, Moses Mokaloba, was assessed at his workplace at Clover's Lichtenburg Cheese factory. He was assessed for the Ripened Cheese making specialization within the Dairyman (provisional) curriculum. Mokaloba achieved full competence for the practical component of the test and 85% for the theory component (70% required).

This final assessment followed four internal theory tests, an internal practical assessment and the completion of the prescribed work experience log book in which (amongst other achievements) 30 production records of batches of different ripened and related cheese have been made under his shift leadership (these could include Cheddar, Gouda, Mozzarella – which are not ripened but made, in the initial phases of manufacturing, by methodology similar to Cheddar and then followed by texturizing – and Feta, or types related to these cheeses).

In addition Mokaloba completed the prescribed management and Leadership training and the Independent Examinations Board's Foundational Learning Competence (FLC) examination successfully. The Training Manager of SAMPRO, Gerhard Venter, who is the Project Manager for the Dairyman curriculum development, performed the assessment under the supervision of Mareli Prinsloo, a private training consultant. She is a registered assessor and moderator with Foodbev SETA.

Dairyman qualification to be registered soon

SAMPRO reported that they expect to have the Dairyman qualification registered in the first quarter of this year, and that the pilot study in this regard will also be finalized. In short, the Dairyman qualification is a conversion of the existing unit standard based qualification registered on NQF4 (Grade 12 level) called “National Further Education and Training Certificate NQF4: Dairy Manufacturing Technology”. The approach to the Dairyman qualification is the **curriculum** approach in contrast to the fragmented, modular or **unit standards** approach. The Dairyman qualification forms part of a project that was approved and being funded by Milk SA.

Conversion from the existing (soon to be previous) unit standards model to the curriculum model will be quite easy for learners who have proof of results for achievements in the unit standards based model, should they want to convert.

The curriculum model is akin to the way in which artisans are trained in that it presents theory separately from practical learning and then adds substantial workplace experience learning during the internal phase. These are assessed internally and to be moderated by FoodBev SETA in order to present “Statements of Results” for each component. The final quality assurance is then conducted by way of a “grand event” final assessment (initially by SAMPRO and later by other workplace and external providers - similar to a trade

test - with both a brief theory and practical component.)

A component called “Foundational Learning Competence” (FLC), being an assessment of the Language and Mathematical proficiency of learners is part of the curriculum. This latter component is far more user friendly and extremely more relevant to the Dairyman curriculum than the Fundamentals in the unit standards based qualification. In addition, there is a first line management course to be completed by learners.

The theory is presented as four subjects in three or four-day workshops. Subject 1 is Applied Dairy Microbiology; subject 2 is Applied Dairy Science and Technology; subject 3 is the ten specializations (each in a separate workshop) and subject 4 is Production Control.

The practical consists of three modules, namely i) Preparing Milk for Processing; ii) Making the Product and iii) Production Control (except for Processed Cheese, which only has two practical modules.)

For gaining Workplace Experience, a log book with five components has been developed in which the integration of theory with practice is recorded in the workplace.

More information can be obtained from Gerhard Venter, Training Manager for SAMPRO, at 012-991 4164.

Dairy Standard Agency launches a new Code of Practice for milk producers

On 12 November this year the Dairy Standard Agency (DSA) formally introduced its “Code of Practice for Milk Producers” to the media and other stakeholders during a function held at the Agricultural Research Council’s facilities in Irene, Pretoria.

Jompie Burger, managing director of the DSA, said during the launch that the DSA’s primary goal is to promote compliance with legislation relating to food safety, product composition and metrology standards regulating the industry. The organisation’s mandate entails:

- Monitoring milk and other dairy products.
- Communication with the industry and other role-players.
- Support services to the dairy industry and other role-players.

Based on this mandate, the DSA is focused on promoting the quality of milk at farm level. “Compliance,” Burger explains, “is the catchword of our time. South Africa currently produces approximately 2,6 billion litres of milk per year, which is supplied by some 2 100 commercial milk producers. Approximately 85% of the fresh milk component is packed by some 37 top processors, who in turn supply mainly the six major retailers in the country.

“This milk and other dairy products must be safe for consumption and must meet all food safety and quality standards. Good quality starts on the farm and finds its way to the



Jompie Burger presents a copy of the “Code of Practice for Milk Producers” to Nico Fouché.

consumer via the value chain. Consumers must be satisfied that the products that they buy, meet all the necessary requirements. But producers should also know and understand their responsibility in this regard.”

The “Code of Practice for Milk Producers” is a publication that presents these requirements and standards to the milk producer in an easily accessible and understandable manner. The publication contains information that varies from hygiene standards and legislation, to requirements relating to animal health and, ultimately, export certification. The publication also lists important documentation that will assist producers in organising their records with a view to audits and certification.

“Milk producers must regard the code as an essential tool that will allow them to meet requirements and measure their performance,” Burger explains. “There is a great responsibility at farm level to comply and from our side we want to empower producers to maintain excellent standards.”

This is why the “Code of Practice for Milk Producers” is available to milk producers free of

charge. This was made possible through Milk SA funding and the advertising support of input suppliers loyal to the dairy industry. The guide was designed and published by Plaas Publishing, the publishers of *Veeplaas*, and is available in a high quality, easy-to-read format which allows the milk producer to supplement the content with additional information when necessary.

“Milk producers and other role-players in the dairy industry who want to obtain a copy of the guide, are welcome to contact the DSA’s offices,” says Burger. “We truly hope that producers will embrace the contents of this publication and apply it to the benefit of the industry and the consumer.”

The Dairy Standard Agency (DSA) is a registered non-profitable company in terms of the stipulations of the new *Companies Act, 2008 (Act 71 of 2008)*. The DSA’s existence is a direct result of the fact that the organised dairy industry (Milk SA, Sampro and the Milk Producers’ Organisation) accepted a strategic approach aiming to strengthen the market for milk and other dairy products, to improve the international competitiveness of the South African dairy industry, and to empower previously advantaged persons.

For more information, call Jompie Burger at 012 665 4260.

Research structures for farmers put in place



A workshop held at Elsenburg on 21 November 2013: From left to right are Dr Buks Olivier (Elsenburg), Gert Beyleveld (Producer), Nina Slabber (Producer), Prof Robin Meeske (Outeniqua), Dr Carel Muller (Elsenburg), Dr Ilse Trautmann (Elsenburg), Nico Fouché (Milk SA), Johannes Loubser (Producer), Chris Fourie (Dairy Consultant) and Dr Heinz Meissner (Milk SA).

Milk SA initiated a process of supporting dairy research in the provinces by memoranda of understanding. The first two provinces where negotiations are at an advanced stage are the Western Cape and the Eastern Cape. Objectives of the formalized agreements are to commit both parties to the general goal of making the dairy industry more competitive and broadening the market for dairy products; and secondly, to ensure that the R & D needs of the farmers in the region are brought to the table. Farmer representatives through the MPO structure, together with senior researchers of the province and Milk SA’s Programme Manager: R & D will form a committee which will identify potential projects which will be fed via the National Work Group of Dairy Producers to the Research Project Evaluation Committee for evaluation and recommendation. It is envisaged that in most cases the particular province will then deal with the project, but it could also be recommended that a co-operative research network be formed to assist, particularly when the capacity in the province is lacking.

Highlights from the World Dairy Summit held in Yokohama, Japan

Founded in 1903, the **International Dairy Federation (IDF)** is a non-profit organization representing the interests of various stakeholders in dairying at an international level. The IDF is committed to furthering current knowledge and science on a wide range of issues by triggering state-of-the-art projects across the dairy chain. The 57 IDF members are organized in **National Committees**, which are national associations composed of representatives from all dairy-related national interest groups including dairy farmers, the dairy processing industry, dairy suppliers, academics and governments/food control authorities. The South African Dairy Industry is a member to the IDF through the SA National Committee of the IDF and was represented at the recent World Dairy Summit of the IDF in Yokohama, Japan. Here are a few key observations of the CEO: Milk SA, Nico Fouché:

The environment: Work relating to “nutrition and the environment” is relatively new on the IDF agenda. This work aims to address nutrition-related health problems such as malnutrition, infectious disease and contamination amidst a fast changing environment of overpopulation, loss of biological resources, ecosystem destruction associated with industrial and commercial development, climate change, urbanization, modern agriculture employing pesticides and other inputs, etc.

In South Africa, the low-income sector will also increase as in other parts of the world, and there is thus a challenge to satisfy their nutritional needs through unique human-environment relationships. For example, rice, pulses and milk products provide

a balance of amino acids for subsistence farmers in India.

Policies and economics: Economic pressure leaves no alternative but to revisit and maybe reinvent every aspect in the business chain, to save on cost, and to be very sensitive to consumer needs such as food quality & safety and recycling.

The success of companies such as Arla Foods (Denmark), Saputo (Canada), DairyCo (Great Britain) and Davis Family Dairies (USA) is attributed to core values and a focus on their key business, while they also started as family businesses.

The power of modern digital technology in boosting demand (through advertising,

*Right: Msato Koitabashi
(CEO: Japan Dairy Industry Association)
& Nico Fouché (CEO: Milk South Africa)
in November 2013 at the
World Dairy Summit in Japan.*



online-shopping, etc) is almost unbelievable. Other technologies such as vending machines and alternative packaging proved to be very successful drivers.

It was reported by Land O' Lakes that consumption of fluid milk among children had declined tremendously and that 50% of children in the USA do not drink milk. This is a country known for its instant food, obesity, etc and just shows (in my opinion) the value of a balanced, scientifically-based consumer education programme such as in South Africa. Once a generation of non-milk drinkers is created, it will take years to instil the value of milk again. We have noticed the IMP winner (Milk PEP) from the US, saying that they are regaining the market through choc milk.

Milk was introduced by the western world in the developed countries only in the early 1900's (eg Indonesia, Thailand) where lactose intolerance was mentioned as a challenge. Although lactose intolerance is claimed to be a challenge in South Africa, this should be investigated and addressed.

Like in South Africa, the erratic weather conditions in a deregulated Australia were mentioned as an important player and also

an important factor for milk producers who quit farming. This also impacts on prices.

A number of speakers (from producers to manufacturers) mentioned the importance of collective issues in a successful dairy industry, such as R&D, technology, genetics, education and skills.

Although the Common Agricultural Policy of the EU dictates the end of direct and indirect aid to producers, this was not welcomed by the producers. Many role-players at the summit were of the opinion that the producers should be supported through many innovative ways.

Farms can be accredited – such as in the USA and Japan – as training facilities for veterinarian students and students in other animal sciences, through Private-Public Partnerships. This is done on a win-win basis.

The image of farming in general and dairy farming in particular among the general population is perhaps something to be addressed. This could be helpful for increased consumption as well as an increased interest in the dairy industry for career opportunities.

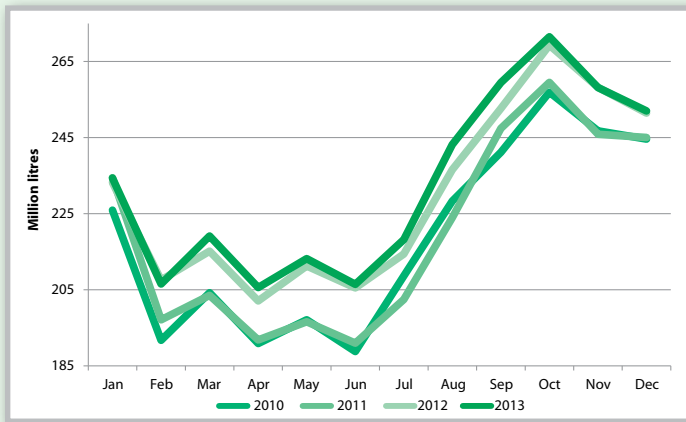
NAHF urges DAFF to implement the Community Service Programme for newly qualified veterinarians

The Cabinet has approved draft legislation making community service compulsory for newly qualified veterinarians. The draft veterinary and para-veterinary amendment bill was approved in September 2011 and aims to address the shortage of veterinarians throughout the country. Unfortunately, there was no legislation to this effect previously. At a recent meeting of the National Animal Health Forum (NAHF), DAFF

indicated that implementation could only be expected in 2015.

Talks on the implementation of the programme are currently being held between members of the NAHF and DAFF. In the meantime, students in need of jobs will be identified and pressure will be placed on the provincial departments to get the programme going. Milk SA is a co-founder of the NAHF, established in 2011, and is represented by Phillip Swart and De Wet Jonker.

Trends in monthly milk production



Note: 2013 figure to be finally reviewed in the first quarter of 2014.