

Milk Essay

VOL 1 NO 2 • SEPTEMBER 2010



COMMUNICATING THE HEALTH BENEFITS OF DAIRY	2
THE DAIRY STANDARD AGENCY	5
DAIRY REGULATIONS AND STANDARDS	7
R&D SYSTEMS IN PLACE	8
MENTORSHIP AT ELIM	9
EMPOWERMENT AT FARM LEVEL	9
IFCN BENCHMARKING	10
DAIRY DIGITS: OCTOBER 2010	11
MEET THE STAFF AT MILK SA	12



Communicating the health benefits of dairy

The Consumer Education Project is a Milk SA initiative that aims to communicate health and nutritional messages regarding dairy products to consumers and health professionals in South Africa. A comprehensive market survey was conducted in 2007 by Markinor, which indicated that although dairy is consumed by most South Africans, consumers have misconceptions and a lack of knowledge on the role of dairy in the diet.

The South African Milk Processors' Organisation, Sampro, was contracted by Milk SA for this project and Alwyn Kraamwinkel of Sampro leads the project.

"The project," says Alwyn, "is of a multidisciplinary nature as it uses expert knowledge from different disciplines, which is then communicated to the target audience through selected media, notably television, radio and print. A combination of sound scientific information and a good understanding of consumer behaviour, anchors the project. The messages that are conveyed cannot be communicated adequately through conventional, branded advertising."

The project, explains project co-ordinator, Christine Leighton, targets two main groups and for each of these groups, specific media were chosen to convey the message. The two groups are the consumers and health professionals.

Key messages

As far as the consumer goes, she says, the project targets its general communication at the LSM 6 to 10 consumer categories by communicating six key messages through television, radio and print. These key messages include



Christine Leighton, project co-ordinator, and Alwyn Kraamwinkel, CEO of Sampro

- **Growth:** Protein and calcium helps you grow.
- **Muscle:** Dairy builds muscle through proteins and amino acids.
- **Bones:** Dairy strengthens your bones and teeth.
- **Weight-loss:** Dairy is part of a low fat diet.
- **Fat content:** Dairy has less fat than you think.
- **Nutrient rich:** Dairy is nutrient rich as it contains proteins, vitamins and minerals, especially calcium.

School education programme

As a sub-division of the consumer target group, explains Christine, a schools education programme was developed within the framework of the *Food Based Dietary Guidelines* and the National Schools Curriculum. Here the target was to reach learners in Grades 4 to 7.

"We compiled an educational kit for teachers in which the importance of dairy as part of a balanced diet is highlighted. The teacher's guide also includes interactive posters for the classroom as well as a DVD," she says.

“On our website, www.dairy.co.za, there is a special kids section which complements and forms part of the school curriculum project. The campaign also participates in the annual National Nutrition Week, facilitated by the Department of Health, which aims to educate children about the importance of dairy in the diet.”

Health professionals

In the second target group, the health professionals, doctors, nurses, dieticians and nutritionists are included. The aim, says Christine, is to make use of various information sources such as scientific literature, recent research results on dairy nutrition and health, as well as food composition data. The chosen channels to reach this target group are health journals and leaflets, retail and provincial clinics, universities (specifically fourth-year dietetic students) and presentations and posters at conferences.

“Our co-operation with universities is aimed at reaching fourth-year dietetic students to empower them with information,” explains Christine. “The pilot project involved the University of Pretoria, but the programme will be rolled out to other universities as well.”

The fourth-year students, she explains, perform community service during their final year, during which they spend time at provincial training hospitals and clinics.

By educating the fourth-year students, they are equipped with information on dairy nutrition and health, and are able to convey this message to patients. It includes eleven inserts which unpacks different topics on nutrition and dairy:

- The SA Food-based Dietary Guidelines.
- Nutrient components of dairy.

- Calcium, the essential mineral.
- Calcium recommendations and food sources.
- The 3-A-DAY™ dairy message.
- Bone health and dairy.
- Dairy products and hypertension.
- Weight management with dairy.
- Dairy and sport.
- Dairy allergies and lactose intolerance.
- Why milk and other dairy products may be a safer option than calcium supplements.

Information on health issues

“The aim,” explains Alwyn, “is to inform health professionals on the role of dairy in various health related issues, including preventing lifestyle diseases such as Type 2 diabetes, hypertension and weight management, the role of dairy in bone health and osteoporosis, dental health and sports nutrition, as well as the importance of dairy as part of a balanced diet throughout life.”

Material aimed at this group is of such a high standard, that the Association of Dietetics of South Africa (ADSA) has included them as part of their CPD programme (Continuous Professional Development).

Television advertising

Work done by Milk SA’s Consumer Education Project, Alwyn proudly points out, has already received local as well as international recognition. The project received an e-mail from a specialised television programme in France, that wanted to run the ads on their advertising programme where they feature the best of international advertising every week. In addition, one of the advertisements was voted as one of the top international television ads.



The rationale for the educational TV, is described by media company, FoxP2, as follows: "As per the strategy, the first phase was aimed at creating an emotional connection between the brand and the consumer. Since this has been achieved, consumers will now be open to listening to our new messages.

"Phase Two is the Logic Phase, where we can now use our advertising to educate consumers on the benefits of dairy as well as dispel any myths and misconceptions. The three benefits we have chosen to dramatise are muscle strength, bone strength (strong teeth) and weight-loss (the low-fat benefits of dairy).

"The three advertisements dramatise the benefits of dairy in a humorous, memorable and entertaining way. They exaggerate what would happen if animals accidentally

started eating or drinking dairy. The message in each ad is simple, straightforward and easy to understand. The use of animals gives the commercial a fun, innocent feel that will help it breakthrough the clutter.

"Stylistically, the advertisements have been filmed so that they appear to be home videos. The characters in the home video reflect our target market. Both these factors work hard to ensure that consumers are able to relate to the ads, and feel a strong connection to them.

"We have also used the same ending as the ads in Phase One – in terms of products dropping in and logo tie-up at the end. This will help consumers to start building a relationship with the brand and allow them to recognise it instantly and look forward to the next instalment of Rediscover Dairy ads." ^{ME}



The Dairy Standard Agency – where quality counts

The Dairy Standard Agency was established by the primary and secondary industry sectors and the SA National Consumer Union, and promotes the following objectives:

- Improvement of the quality of milk and other dairy products.
- Monitoring of dairy products for compliance with the legal standards in respect of milk and other dairy products.
- Regular communication with the relevant authorities regarding food safety and quality issues.

Interaction

To achieve its strategies and objectives, the DSA provides for continuous interaction with various stakeholders such as the Department of Health (national, provincial and municipal), the Department of Agriculture, Forestry and Fisheries (DAFF), the South African Bureau of Standards (SABS), the dairy industry (Milk Producers' Organisation, South African Milk Processors' Organisation, non-affiliated individuals and dairy input suppliers), organisations such as the South African National Consumer Union and the South African Society of Dairy Technologists. Through its interaction, the DSA provided several products and services that contribute to the improvement of food safety and quality in an effective and collaborative manner.

One of Milk SA's strategic objectives is to improve the quality of milk and other

dairy products, and compliance with legal standards. The DSA is the project manager for this objective and therefore its statutory and non-statutory activities are strategically aligned accordingly. A number of DSA statutory projects are funded by Milk SA, one of which is a national dairy monitoring programme. This entails the objective testing of milk and other dairy products sold in the country, to measure compliance with legal standards.

DSA projects funded by Milk SA

In order to structure these objectives, the DSA's activities have been organised into various projects:

- i. Taking samples in collaboration with the health authorities to ensure the objective testing of raw and heat-treated milk as sold to the consumer.
- ii. Investigations regarding complaints received in respect of product compliance with legal requirements.
- iii. Special investigations in order to facilitate the testing of any product that does not fall within the frequency or type of product tested in the project mentioned under (i) above.
- iv. Milk and other dairy product risk identification programme, which entails identification of focus areas in terms of food safety or quality related problems.
- v. Remedial action programmes in terms of which the DSA interacts with government institutions as well as proces-

sors, distributors and the retail sector to assist with corrective measures as a result of sub-standard milk and other dairy products.

- vi. Communication with authorities and other organisations with the aim to build relationships, to establish and strengthen public/private partnerships, facilitate remedial action plans and assist in the identification of transgressors of the relevant legal standards.
- vii. Liaison with the relevant authorities regarding legislation.
- viii. Giving environmental health practitioners (EHPs) access to dairy-specific information by means of documentation, workshops and educational programmes.
- ix. The presentation of free information sessions for milk producers, processors and distributors requiring information relating to food safety and quality pre-requisites.

Project streamlining

Goals and objectives for 2011-2013 are currently being defined and to this end, the DSA will retain the format of its projects, but will continue to review all relevant processes by means of its enterprise risk management programme. The promotion and improvement of dairy quality and safety, as well as efforts to limit sub-standard products, remains a daunting multidimensional task. Short-term successes can therefore not be allowed to overshadow long-term goals.

The DSA's relationship with government and other organisations requires compliance with the highest form of corporate

governance and scientific standards. While legal regulations addressing food safety and quality risks are considerably varied and variously effective, any deliberation in this regard with the relevant authorities requires a careful approach.

Legislation and non-mandatory standards update

The DSA regularly liaises with the relevant authorities regarding legislation and related matters. Some recent matters which are also communicated to the Milk SA Advisory Committee: Dairy Standards and Regulations, include:

National Health Act, 2003 (Act 61 of 2003)

- Comments to the Department of Health regarding Regulation 1256 of 27 June 1986, *Regulations relating to milking sheds and transportation of milk*. The regulations are considered to be outdated and require review.
- Comments on the review of Regulation 918 of 30 July 1999, *Regulations governing general hygiene requirements for food premises and the transport of food*. The absence of appropriate requirements for the control of and sale of bulk milk in retail stores, contribute to sub-standard milk offered for sale to the public and require review.

Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972)

- Liaison on the interpretation and implementation of Regulation 146 of 1 March 2010, *Regulations relating to the labelling and advertising of foodstuffs*.
- Comments on Draft Regulation 249 of

30 March 2010: *Regulations relating to trans-fat in foodstuffs*. Work done in this regard concurs with the management of Milk SA's Consumer Education Project.

Agricultural product Standards Act, 1990 (Act 119 of 1990)

- Liaison with the Directorate: Food Safety and Quality Assurance on the formulation of draft legislation and control over the sale of free-range and organic dairy.
- Dispensations issued by the Directorate: Food Safety & Quality Assurance in terms of Regulation 2581 of 20 November 1987, *Regulations relating to dairy products and imitation dairy products*. Liaison with the directorate to ensure proper consultation with the organised dairy industry prior to the issue of dispensation/s to individual dairy companies or the entire dairy industry.

- Comments on Regulation 560 of 16 March 1990 / Notice 98 of 19 February 2010: *Classification packaging and marking of fat spreads intended for sale in the RSA*.
- Request for review of Regulation 2581 of 20 November 1987, *Regulations relating to dairy products and imitation dairy products due to the technical shortfalls of the regulation*.

South African Bureau of Standards – non-mandatory standards

- *South African National Standards 1678* (sterilised milk) and *1679* (pasteurised milk). Both documents were published in the second quarter of 2010.
- Comments on *South African National Standard 10049* which will replace the existing SABS 049 which relates to food hygiene management. [ME](#)

Dairy regulations and standards

The Milk SA Board of Directors recently established the Advisory Committee on Dairy Regulations and Standards. This committee's members are Nico Fouché (chair), Dr Hennie Kleynhans, Dr Jan du Preez, Dr Nico Schutte, Attie du Plessis, Alwyn Kraamwinkel, De Wet Jonker and Jompie Burger.

Co-ordinated action

As dairy products and the dairy industry are subject to specific acts, the purpose and responsibility of this Committee is to facilitate co-ordinated action by the organised dairy industry in respect of collective issues regarding the amendment and implementation of laws, regulations and standards relevant to the dairy

industry and dairy products.

Responsibilities

The Advisory Committee and Milk SA will and cannot assume the responsibilities of the governmental institutions that are, responsible to administrate it. The Advisory Committee and Milk SA can also not assume the responsibility of the Advertising Standards Authority of South Africa in respect of advertising claims.

The Dairy Standard Agency, as a member of the Advisory Committee, can provide valuable scientific knowledge to the Advisory Committee as well as insight into practical issues in respect of the implementation of the acts, regulations and standards concerned. [ME](#)

R&D systems in place

by Dr Heinz Meissner

For a number of years research to support the dairy industry has been either lacking or has been fragmented and uncoordinated due to lack of funds and other reasons. With the dismantling of the marketing boards, several agricultural industries could transfer funds into a trust, the interest of which could be utilised for essential functions, among others research and development (R&D).

The dairy industry unfortunately did not have this luxury. However, with the introduction of statutory levies, the opportunity arose to allocate limited funds to functions essential to take the industry forward, such as promotion, training and R&D. As a result, Milk SA was mandated to investigate appropriate and effective ways to put R&D on track again.

The task at hand was pursued from several angles. A first approach was to scan local and international literature to acquaint the industry with current thought and priorities, and to put this information in a database to the benefit of members. (Visit www.milk.co.za)

The R&D summit

Secondly, since research capacities and programmes at tertiary and government institutions in the country were not well-known, an inventory was compiled after extensive visits and correspondence. These contacts and information were valuable, as the way was paved to determine R&D priorities aligned with industry strategy and objectives. Priorities were determined by way of a structured questionnaire to selected research and industry leaders and an R&D summit.

The summit proved valuable for acquaintance and interaction, because expectations of the research community could be discussed and criteria for evaluation of project proposals could be established. A further outcome was the decision to stage an annual R&D Forum where research and industry delegates can discuss issues of mutual interest, report findings and reprioritise.

An efficient structure

The next phase was to put a structure in place whereby the R&D activity could operate efficiently. For that purpose, the mandate of the R&D Working Group of the Research Advisory Committee of Milk SA was expanded to make provision for project proposal submission, project evaluation, legal agreement, report evaluation and recommendations to the Advisory Committee. For the convenience of applicants, appropriate documents to that effect have been developed.

Since Milk SA's statutory funds are limited, project leaders of proposals that have been approved will be assisted by Milk SA to access other sources. It is well-known that R&D funders will be more willing to consider funding if the beneficiary of the research (the organised dairy industry) is committed and supports the application.

The timeframe?

Milk SA should be in a position to evaluate R&D proposals addressing the prioritised fields and subjects during the 2011 financial year, allowing projects to commence during 2012. **ME**

Mentorship at Elim

Milk SA's Elim dairy project situated close to Bredasdorp in the Southern Cape, started out in September 2007, milking 47 cows and producing 700 litres of milk per day. By the end of 2008 there were 80 cows in milk, producing 17,5 litres per cow per day ($\pm 1\ 400$ litres of milk per day).

Mr Dèan Kleynhans (project mentor) is chairman of an advisory committee that meets on a monthly basis. The main objectives of the project are to become a profitable unit and to supply milk to the settlement, which consists of some 450 households, at a fair price. The aim is to expand the herd to at least 150 cows in milk, establish more pastures, effect good herd health programmes and financial controls.

The current situation

The participants are currently establishing additional pastures for the herd. Herd health remains good and increased to the current 112 cows in milk and 24 dry cows.

A cow-ownership concept ("cow rental scheme") was also established in terms of which residents of Elim can purchase shares in a cow in order to generate additional income. The project enjoys generous support from the Western Cape Department of Agriculture.

Successful transformation, says Dr Nico Schutte, project manager for Milk SA, is all about establishing the correct legal structure and formalising the farm ownership model from the start. [ME](#)

Empowerment at farm level

One of Milk SA's strategic goals is the empowerment of previously disadvantaged individuals through the facilitation of the transfer of knowledge and skills. To this end, Milk SA approved a project towards empowerment in the primary industry sector which entails training, technology transfer and skills development for farm labourers and emerging dairy producers. Dr Jan du Preez of the Institute for Dairy Technology is the project manager.

The project involves the transfer of knowledge and skills. The most sought after skills programmes include:

- Dairy production.
- Farm animals and animals care husbandry.

- Artificial insemination.
- Calf rearing.
- Animal health and treatment.
- Feedlot practices.
- Productivity and the free market.
- Motivation and work ethics.
- Business and marketing skills
- Safety.
- Basic principles of supervision.

Courses are presented by the IDT's four instructors (assessors), Hezekiel Matlamela, Justice Mathebula, Justice Phaahla and Wilfred Phaahla as well as Jas Wasserman and Dr Jan du Preez. The courses are presented across the country and vary between three and five days per course. [ME](#)

IFCN-benchmarking

by Koos Coetzee, project leader, Industry Information

The International Farm Comparison Network (IFCN) is a network of dairy scientists who 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 IFCN's 11th dairy conference took place in Kiel, northern Germany in June 2010. This is a short overview of the matters discussed at the conference.

A difficult year

The year 2009 can be defined as the worst year for dairy farming in most parts of the world. The IFCN is currently comparing typical dairy farms from 45 countries. Initial results show that less than 45% of these farms can cover their full economic costs, mainly as a result of very low milk prices. Compared to 2008, a substantial cost reduction in the US-dollar was observed in most countries.

These cost reductions were driven by lower input prices, currency devaluations to the US-dollar, 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.

Recovery was faster than expected. By September 2009 world prices had already exceeded US\$30 and have since increased to US\$45. The South African producer price also decreased from 2008, but not to the same ex-

tent as the world price. The recovery since was also slower and less spectacular.

Outlook for 2011

On the supply side the ratio between milk and feed prices has improved from the very low level of below 1:1 in 2008 to a more favourable level of 2:1 and better. 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. The world population grows at about eighty million per year.

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 six million tons and demand is estimated to grow by about five million tons milk equivalent in 2009. The IFCN estimates that world dairy stocks will increase in 2009 by between one and two million tons.

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.

The relationship between world and local prices is not a direct one. In time higher world prices do result in higher local prices. Current international product prices imply an import parity price, about 35 cent above the South African producer prices. This will have a positive effect on prices. However, local conditions will still play a major role. **ME**

Dairy Digits: October 2010

Dairy Digits is a Milk SA publication that is published in *The Dairy Mail* monthly and is also available on Milk SA's website at www.milkssa.co.za.

Milk production during July 2010 was 7,9% higher than in July 2009. Production during 2009 has been 3,2% less than in 2008. Fewer

dairy products were imported during 2009 than in 2008 (-4,7%).

Exports decreased by 2,3% compared to 2008. Producer prices are higher than during the same month in 2008. The Department of Agriculture's farm requisite price index for April 2010 is 13,5% higher than during April 2009.

Item	Period	Value	% change Same period previous year
Dairy imports ('000 ton)	2008 ²	34	-
Dairy exports ('000 ton)	2008 ²	42,8	-
Dairy imports ('000 ton)	2009 ²	32,3	-4,7
Dairy exports ('000 ton)	2009 ²	41,8	-2,3%
Dairy imports ('000 ton)	Jan-Jun 10 ²	17,6	+59,1%
Dairy exports ('000 ton)	Jan-Jun 10 ²	13,8	-21,1%
Milk production (mil litres)	2008	2 593	-
Milk production (mil litres)	2009 ¹	2 509	-3,2%
Milk production (mil litres)	July 10 ¹	202	7,9%
Raw milk price index (Basis 2000 = 100)	July 10 ¹	161,3	+4,7%
Farm requisite price index (Basis 2005 = 100)	Apr 10 ⁴	185,1	+13,5%

Sources:

- ² Milk SA returns
- ² SARS statistics supplied by Sampro
- ² Stats SA PPI index
- ² Department of Agriculture, Forestry and Fisheries (DAFF) price index of farm requisites



Meet the staff at Milk SA

Lusan Cohn – Senior Administrator

Lusan is responsible for administrating the three statutory regulations. This mainly comprises the registration of role players, collection of return forms and levies, legal action, the handling of client queries and providing inputs for accounting purposes.



Vincent Mafate – Junior Administration Officer

Vincent ensures that clients submit their returns and pay their levies on time, that return forms are captured correctly on the web-based system and that client queries are handled efficiently. Vincent is Milk SA's longest serving staff member.



Belinda Thomo – Junior Administration Assistant

Belinda takes care of the switchboard, the capturing of client correspondence on the web-based system, the filing of all documents pertaining to the regulations, general administration and other general chores.



Nicolette Teichmann – Personal Assistant to the CEO

Nicolette's duties entail all aspects of Milk SA's meetings, including the drafting and finalisation of agendas, minute-taking, the follow-up of resolutions and maintenance of the website and filing system.



Nico Fouché – Chief Executive Officer

Nico is accountable for all activities in Milk SA. His core focus is on the efficient administration of the statutory regulations and ensuring that the strategic goals of the projects are achieved. The budget and financial performance of the company are also a major focal point.



For enquiries, phone our office on 012 460 7312. [ME](#)