

# Milk Essay

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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.**



# Chair exchange

Since Milk SA was established in 2002, Mr Willie Prinsloo has been a director of the company. In June 2006 he was appointed as chairman and in May 2008, after his resignation from Nestlé, he was elected as independent chairman.

On 1 January 2012 Prof Chris Blignaut stepped in as Mr Prinsloo's successor. Prof Blignaut has been involved in the organised dairy industry in the past. During 1999 and 2000 he was involved in the development of the dairy development initiative for what was then known as the Milk Federation. Prof Blignaut has, since 1998, been a lecturer in agri-

economics at the University of Pretoria. Before this he was employed at the Department of Agricultural Economics and Marketing as deputy director-general.

When Mr Prinsloo replaced Mr Koos Pienaar in the position of chairman in 2006, the second set of statutory regulations was still fresh and new, and it was only now that Milk SA truly started to take its first stable steps. Under the leadership of Mr Prinsloo, Milk SA established its own identity and the proper foundations laid by good corporate management was extended. Mr Prinsloo is still active as director of Milk SA.



*Mr Willie Prinsloo*



*Prof Chris Blignaut*

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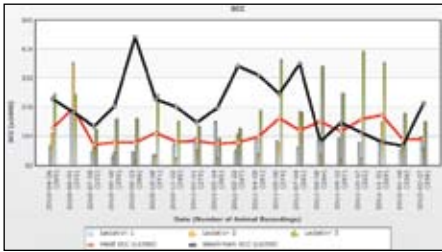
## Concerns over milk recording

Milk SA's board of directors has expressed concern over the current situation in the dairy industry where milk producers can buy milk recording services from three institutions. Milk recording is indeed not a regulated service, while there is also no coordinated milk recording service available for milk recording participants (producers) anymore, representing only about 20% of milk cattle in South Africa. This service was previously delivered by MBISI.

It is also extremely necessary that as much data as possible is pooled together for the regional and national reports generated by this program, as it will optimise the credibility of reports. Milk SA has consequently decided to terminate all contracts for milk recording as of January 2012. Milk SA regards milk recording as critical to the dairy industry's competitiveness and would like to see that these services can continue in a coordinated fashion soon.

# A system that makes sense

In 2010 Milk SA delegates met with officials of MBISI (Milk Business Information System Incorporated) and the ARC (Agricultural Research Council) to discuss the milk industry's need to get recorded milk data to work for the dairy industry, by turning this data into reports that can be put to good use. Milk SA accepted MBISI's project proposal and today the Logix programme, recently launched in Bloemfontein, is successfully used by milk producers.



## The Logix programme

Management reports enable milk producers using the Logix program to keep a watchful eye on the performance of their herds or

individual cows. It also allows producers to compare data in terms of breed, region, production system and more.

This program also benefits the industry as a whole as it provides broad trend profiles. These profiles can give important indications as to milk composition and volumes per breed, region and district. The web-based graphs created by this program are interactive and enable the user to monitor, for example, the performance of one cow or identify a cow that requires treatment.

Further development of the programme, such as linking the program with modern milking systems and developing a model that can make predictions, are being planned. The ultimate goal of projects such as this one is to improve the competitiveness of the South African milk producer and of the industry as a whole.

Logix is managed by SA Studbook. For more information, phone 051 410 0900, e-mail [info@studbook.co.za](mailto:info@studbook.co.za) or visit [www.logix.org.za](http://www.logix.org.za) / [www.studbook.co.za](http://www.studbook.co.za)

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## The 'real dairy' query

Milk SA often receives enquiries regarding the 'real dairy' mark still found on some dairy products. Milk SA wants to make it very clear that this mark does not belong to Milk SA.

We have determined that this mark was previously owned by the Dairy Board and that it is currently in disuse. The original reason for this mark was to confirm the origin of a product without referring to its quality at all. The Dairy Standard Agency is currently busy considering a suitable certification mark for dairy products.

# Our figures do the talking ...

Milk SA has taken note of positive industry trends reported at the recent meeting of the Advisory Committee: Industry Information. The consumption of dairy products is still increasing significantly (mostly at the expense of consumer prices) while the production of raw milk is continuously increasing.

This information is compiled by SAMPRO from reports by AC Nielsen and made available to Milk SA.

From 2000 to 2011 milk production increased by 37%. From 2006 to 2011 an increase of 9% was noted. Mr Nigel Lok, a member of the advisory committee, said

that improved technology has played a very big role in the increase of milk production, especially since 2004.

The steady growth in production can be clearly seen in monthly trend information provided by Milk SA. Milk production in February and March 2012 respectively was 4,6% and 5,4% more on a year-to-year basis as well as the highest numbers ever recorded for these two months.

Other Milk SA projects, especially those concerning consumer education and quality, are playing an increasingly important role in influencing the image and consumption of dairy products.

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## Important footwork for dairy exports

One of the critical functions of Milk SA is to promote South Africa's export regime. Milk SA has therefore established a Customs and Market Access Advisory Committee with a work group focussing on export certification. This work group resulted in an initiative to establish a national task team to keep a strict eye on and manage export requirements. This initiative was accepted by Milk SA's board of directors.

In 2005/6 the South African dairy industry's export status in the European Union was suspended. According to the Department of Agriculture, Forestry and Fisheries (DAFF) this was due to a lack of compliance with requirements relating to traceability, chemical residue and a shortage of human resources. The task description of the national task

team is currently being compiled. The team members have already been appointed and comprise members of the organised dairy industry, DAFF and the Department of Health.

DAFF and other government bodies' lack of capacity is a given. Therefore Milk SA and its members (MPO and SAMPRO) together with the Dairy Standard Agency (DSA) are taking the lead to keep this initiative going in order to bring export certification requirements up to standard. The DSA has developed a document titled "Standard Operating Procedures for Export". The goal of this document is to stipulate the requirements that participants of the export chain must adhere to. This document is currently being refined and will soon be available on Milk SA's website and as a handout.

# 'Organic' in the spotlight

Milk SA's Advisory Committee on Dairy Regulations and Standards meets at least twice a year to advise the Board on how best to facilitate co-ordinated action by the organised industry in respect of laws, regulations and standards relevant to the dairy industry and dairy products. At its previous meeting the committee paid attention to a number of regulations under review.

The committee recently noted that the draft regulations regarding the control of organically produced products in South Africa had not yet been finalised, as DAFF's (Department of Agriculture, Forestry and Fisheries) legal section was of the opinion that there were certain grey areas in the legislation which had to be addressed before the regulations could be finalised.

## Certification required

Mr Jompie Burger, general manager of the Dairy Standard Agency, said that DAFF had however indicated that steps would not be taken against persons who marketed their products as 'organic', on condition that adequate proof was provided that the facility had been audited by a certified body.

It was noted that the Department in the interim made progress with its consultations with SANAS (South African National Accreditation System) regarding implementation of certification. The aim is to permit any certification body to certify producers, provided that the certification



body is accredited by SANAS against ISO Guide 65 and that the regulations in question are used as minimum standard."

It was further noted that Draft 8 of the *National Policy on Organic Production* was currently being circulated by DAFF for comments and that DAFF was presently engaged in negotiations with the SA Bureau of Standards (SABS) with a view to bringing out a South African national standard, with the purpose of establishing auditable criteria in terms of organic standards.



## Free range

Regarding the term 'free range', certain protocols were still outstanding and it was expected that DAFF would lead this matter with inputs from the organised dairy industry.

# IDF World Dairy Summit in Cape Town



The International Dairy Federation (IDF) was founded in Brussels in 1903. Membership covers 56 countries and is growing. IDF accounts for about 86% of current total milk production worldwide. The mission of IDF is to represent the dairy sector worldwide by providing the best global source of scientific expertise and knowledge in support of the development and promotion of qual-

ity milk and dairy products to deliver consumers with nutrition, health and well-being.

The South African dairy industry is honoured that the World Dairy Summit is this year held in Cape Town, from 4 to 8 November. The South African dairy industry plays an active role in the international

## IDF World Dairy Summit Programme snapshot

SUNDAY · 4 NOVEMBER	MONDAY · 5 NOVEMBER	TUESDAY · 6 NOVEMBER
08h00 - 17h00 Exhibition Setup	08h00 - 18h00 Exhibition	08h00 - 18h00 Exhibition
08h00 - 17h30 IDF Business Meetings Continued from previous 3 days (by invitation only)	<b>08h30 - 09h30</b> <b>Opening of the World Dairy Summit</b>	09h00 - 13h00 <b>Conference 2</b> Dairy Policies and Economics, Part 2
	09h30 - 10h30 SWIFT Forum	09h00 - 17h30 <b>Conference 3: Dairy Farming</b>
08h00 - 12h00 IDF General Assembly (by invitation only)	11h00 - 13h00 <b>Conference 1</b> World Dairy Leaders Forum	09h00 - 17h30 <b>Conference 4</b> Food Safety
	14h00 - 15h00 World Dairy Situation	09h00 - 13h00 <b>Conference 5</b> Methods of Analysis
	15h30 - 17h30 <b>Conference 2</b> Dairy Policies and Economics, Part 1	14h00 - 17h30 Protein Quality Symposium
	11h00 - 18h00 <b>Technical Tour:</b> Fair Cape TMR Farm and Factory and Woolworths Distribution Centre	
19h00 - Welcome Reception: Exhibition Hall		19h00 - Farmers' Dinner: Outside Venue

dairy industry and has been a full member of the IDF for many years via the SA National Committee of the IDF. We are therefore delighted to bring dairy industries from all over the world together to discuss topical issues such as sustainability, science and technology, nutrition and health, food safety, production, economics and marketing, to mention a few.

In this unique learning environment, participants are guaranteed to take away a fresh outlook, new friends, contacts, resources and ideas that could make a huge

difference in their particular involvement in the dairy industry.

Milk SA plays a crucial role in hosting this event, working closely with the local branch of the IDF in order to present a successful World Dairy Summit. Anyone involved in the dairy industry is encouraged to visit the website for more information regarding the event. Go to [www.wds2012.com](http://www.wds2012.com) for more information and registration details. A short version of the programme can be viewed here. A detailed programme will be available shortly.

WEDNESDAY · 7 NOVEMBER	THURSDAY · 8 NOVEMBER	THURSDAY · 8 NOVEMBER
08h00 - 18h00 Exhibition	08h00 - 15h00 Exhibition	
	15h00 - 18h00 Exhibition Breakdown	
09h00 - 17h30 <b>Conference 6</b> Emerging Dairy Sector	09h00 - 17h30 <b>Conference 9</b> Dairy Science and Technology	09h00 - 17h00 <b>Technical Tour:</b> Fair Cape TMR Farm and Factory and Woolworths Distribution Centre
09h00 - 17h30 <b>Conference 7</b> Nutrition and Health	09h00 - 17h30 <b>Conference 10</b> Animal Health and Welfare	09h00 - 17h00 <b>Technical Tour:</b> Klipheuwel TMR Farm, Parmalat, Parow and Spaza Shops
09h00 - 17h30 <b>Conference 8</b> Sustainability and Green Economy	09h00 - 17h30 <b>Conference 11</b> Marketing	09h00 - 17h00 <b>Technical Tour:</b> Mooivallei Grazing Farm and Cheese Factory and Bonnievale
09h00 - 17h00 <b>Technical tours:</b> Mooivallei Grazing Farm and Cheese Factory and Bonnievale	09h00 - 17h00 <b>Technical tours:</b> Fair Cape TMR Farm and Factory and Woolworths Distribution Centre	
	09h00 - 17h00 <b>Technical Tour:</b> Klipheuwel TMR Farm, Parmalat, Parow and Spaza Shops	
19h00 - Gala dinner: CTICC		

# Imitation cheeses ... watch out!

Cheese analogues or imitation cheese are products used as replacements for cheese.

According to Mr Jompie Burger of the Dairy Standard Agency, cheese analogues have properties such as different melting points or lower costs that make them attractive to business.

## Regulations and claims

*R 2581 of 20 November 1987: Regulations relating to dairy products and imitation dairy products, Agricultural Product Standards Act, 1990 (Act 119 of 1990)*

An "imitation dairy product" in terms of the above regulations entails "any product other than a dairy product or a fat spread that is of animal or plant origin and in general appearance, presentation and intended use correspond to a dairy product."

Referring to the classes of imitation dairy products according to Table 7 of the said regulations, it is clear that no provision is made for an imitation cheese. In the new draft regulations this matter is currently being reviewed and addressed under the class designation "imitation cheese".

Restricted particulars on containers are misleading in terms of sub regulation 22 (3) (a) of R2581.

*R 146 of 1 March 2010 Regulations relating to the labelling and advertising of foodstuffs, Foodstuffs Cosmetics and Disinfectants Act of 1972 (Act 54 of 1972)*

With reference to representation on labels, regulation 34 reads as follows: "The pictorial representation on the label or any advertisement of a foodstuff may not be presented in a manner that is false, misleading or deceptive or is likely to create erroneous impression regarding the contents

of the container or its character, origin, composition, quality, nutritive value, nature or other properties in any respect".

*Consumer Protection Act, 2008 (Act 68 of 2008)* Regulation 24 (2) (a) stipulates that "a person must not knowingly apply to any goods a trade description that is likely to mislead the consumer as to any matter implied or expressed in that trade description.

Regulation 29 (b) reads: "A producer, importer distributor, retailer or service provider must not market any goods or services in a manner that is misleading, fraudulent, or deceptive in any way including in respect of the nature, properties, advantages or uses of the goods or services".

## Actions against misleading claims

The mandate of the Department of Health is to deal with claims (nutrition and health), all regulatory nutrition aspects and food safety issues. It is the mandate of the Department of Agriculture, Forestry and Fisheries' Directorate: Inspection Services, to enforce compositional standards. The CPA provides for an enforcement and dispute resolution, and empowers consumers by setting out and offering complaint options.

The DSA has established sound relationships with the institutions responsible for enforcing legal and voluntary dairy related standards. The DSA acknowledges the work done by the Directorate: Inspection Services of DAFF in an effort to curb the manufacture and sale of misrepresented imitation dairy products.

Depending on the primary reason for a complaint, one or more of the above institutional bodies may be involved and can be contacted.



# Milk – your 'electro' sports drink!



Most athletes know the importance of proper hydration during and after exercise. But what many don't know is that instead of using commercial sport's drinks to rehydrate, there's an attractive alternative with meaningful benefits that's proven to be an effective post-exercise recovery drink – milk, especially low-fat milk or low-fat flavoured milk.

Often overlooked in favour of commercial rehydration drinks, milk contains carbohydrates and electrolytes within a natural food matrix. Milk also has an added benefit in that it contains protein too.

## Proteins and carbs

But why are proteins and carbohydrates so important? Many athletes include resistance exercise in their training schedules – repeated high-intensity contractions of different muscle groups to build lean body mass. Such intense exercise needs to be supported by a combined protein and carbohydrate intake just before or shortly after exercise to stimulate protein synthesis and muscle growth.

Dairy protein is a complete protein, comprising 80% casein and 20% whey protein. Whey protein contains a large proportion of branched-chain amino acids, which play an integral role in muscle metabolism and protein synthesis. Research increasingly suggests that consumption of whey protein in particular may:

- Stimulate greater muscle protein synthesis than soy protein intake;
- Result in greater muscle gain when combined with chronic resistance training;
- And enhance recovery after exercise.

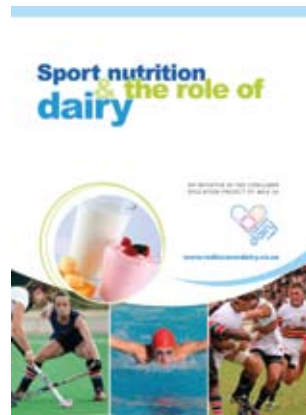
## Recovery and rehydration

The issue of recovery – including rehydration – is particularly important. Research has shown that dehydration impairs performance and has negative health implications, especially in the case of regular and repeated exercise activities. Research also confirmed that electrolytes play a fundamental role in the rehydration process.

Low-fat milk has a naturally high concentration of electrolytes that can replace those lost through sweat during exercise plus low-fat drinking yoghurt and flavoured milk contribute significantly to the recovery of macro-nutrients in strength training athletes if included in the post-exercise meal.

For a comprehensive document on Sports Nutrition and the Role of Dairy, compiled by leading dieticians Maretha Vermaak and Nicky de Villiers, please visit [www.rediscoverdairy.co.za](http://www.rediscoverdairy.co.za)

For more information, please contact Christine Leighton, co-ordinator for this project of Milk SA, on 012 991 4164 or 082 453 9017.



# New initiative to attract young blood

SAMPRO, contracted by Milk SA, is currently undertaking a project in which certain participating employers in the secondary industry recruit matriculants for temporary employment and enrolment in learnerships (in this case the NQF 2 learnership on Milk and Cream Handling and Storing).

SAMPRO supplies the learning materials free of charge and contributes a training provision fee of R10 000 per learner to the appointed provider, FMCG Training Solutions. Application to the FoodBev SETA for the learnership grant of R20 000 per learner – payable to the participating employers – is supported by SAMPRO.

A total of 36 matriculants have been recruited by employers in KwaZulu-Natal, the Eastern Cape and the Western Cape for this project. The aim is to qualify these matriculants in consecutive years in the learnerships for NQF 2, 3 and 4 (dairy technical qualifications), and thereafter select the cream of the crop as bursary students for the full duration of undergraduate degrees in food science.

FMCG Training Solutions was chosen for its commitment to dairy technical training. Instructors/assessors are previous learners of the Dairy Training Board dispensation as well as bursary beneficiaries of Milk SA.

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## Dairyman Curriculum well underway

The Dairyman Curriculum, which employs the same approach as the one used for artisan training, is currently being 'tested' in a pilot study. Industry has nominated sixty experienced 'dairymen' (please note that the title is not gender-based) to participate in the pilot study.

The aim of the pilot study is to obtain approval for the workplace theory, workplace practice and workplace experience components developed as components of the curriculum, by participating 'experienced' learners and factories. All ten specialisation areas are addressed and SAMPRO's role is to present theoretical workshops at a central location, the cost of which is covered by the Milk SA project budget.

Thereafter guidance is presented to participating learners and mentors at participating factories to complete the theoretical, practical and workplace experience compo-

nents. Internal assessments are conducted in preparation for external assessments in the workplace by the end of 2012. Eventually, after submission of a full, extensive and comprehensive report on all aspects of the pilot study, the intention is to obtain final registration of the curriculum and certification for all successful participating learners in 2013. Thereafter the roll-out of this curriculum in and by industry – with SAMPRO in support – will be formalised.



# FoodBev SETA – where do we stand?

At the start of the 2011/12 SETA year (1 April 2011) the Minister of Higher Education and Training, Dr Nzimande, amended the SETA constitutions to make provision for the ministerial appointment of three additional members to the SETA boards, i.e. an 'independent' chairman; a representative from community and a representative from professional bodies.

In the case of FoodBev SETA, these appointments were made, together with nominees by employers from the various subsectors, and by trade unions (six each from employers and labour). The chairman instituted a forensic investigation into the administrative activities of the SETA, which led to the suspension of the CEO and a project manager (still ongoing).

This has had a negative influence on the normal activities of the SETA. The dairy subsector was erroneously viewed to have more than one representative on the board and was asked to remove one of its representatives in favour of an additional nominee from beverages, which was done. Nevertheless, the dairy industry is still engaging the SETA productively on behalf of the dairy industry, in terms of the revision of its grant policies and governance.

## **SAMPRO and SETA**

SAMPRO obtained full ISOE (Institute of Sectoral Occupational Excellence) status on 31 March 2011, based on SAMPRO's progress (after two years of development in this regard) in becoming a productive 'extension' of the SETA (in a selected sense) through its:

- Administration of a bursary scheme on behalf of the FoodBev SETA.
- Involvement in its working committees

(sector skills plan, learning programmes; executive committee, etc.).

- Marketing of grants and learning opportunities created and/or sponsored by FoodBev SETA.
- Involvement in learning standards setting and curriculum developments and governance of the SETA.

Unfortunately, at the beginning of 2012, the newly appointed board decided to withdraw all bursaries allocated to ISOEs and ISOEs in development, in order to conduct its own bursary scheme. This scheme was still marketed among bursary applicants in the Milk SA bursary scheme, but who were unsuccessful.

It would seem as though the new SETA Board intends to downplay the current activities of ISOEs, perhaps with the intention of changing the functionalities of the industry-based organisations.



# Dairy Digits

Dairy Digits is a monthly publication published in *The Dairy Mail* and is also available as a Milk SA publication on the Milk SA website [www.milk.co.za](http://www.milk.co.za)

Item	Period	Value	% change Same period previous year
Milk production (mil litres)	2011 <sup>1</sup>	2 647	+0,4%
Milk production (mil litres)	Apr 2012 <sup>1</sup>	199	+4,4%
Dairy imports ('000 ton)	2011 <sup>2</sup>	37,7	+7,4%
Dairy imports ('000 ton)	Mar 2012 <sup>2</sup>	11,9	+47,8%
Dairy exports ('000 ton)	2011 <sup>2</sup>	41,8	+23,2%
Dairy exports ('000 ton)	Mar 2012 <sup>2</sup>	10,4	+22,5%
Producer price index of raw milk (Base 2000 = 100)	Mar 2012 <sup>3</sup>	176,0	+18,7
Farm requisite price index (Base 2000 = 100)	Oct 2011 <sup>4</sup>	218,9	+12,7
Producer price index of dairy products (Base 2 000 = 100) <sup>3</sup>	Mar 2012 <sup>3</sup>	226,6	+9,9

## Sources:

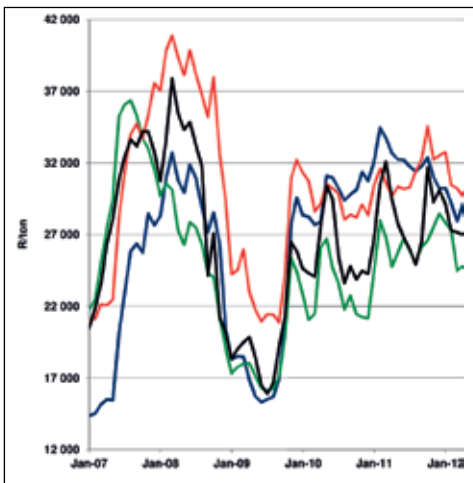
<sup>1</sup> Milk SA returns

<sup>2</sup> SARS statistics supplied by SAMPRO

<sup>3</sup> Stats SA PPI Index

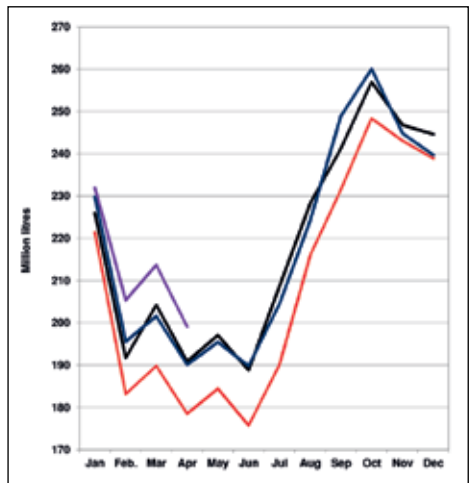
<sup>4</sup> Department of Agriculture, Forestry and Fisheries price index of farm requisites

**Figure 1: International dairy product prices (free on board), 2007-2012**



Source: USDA price surveys, exchange rate SA Reserve Bank middle rates, last month – average of daily closing values

**Figure 2: Monthly raw milk production trend, 2008-2012**



Source: Milk SA statistics Note: 2009 – 2011 reviewed, based on total figures declared to Milk SA