

# Milk Essay

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## CONTENTS



2

Koos Pienaar retires from Milk SA's Audit & Risk Committee

Milk SA signs Memorandum of Agreement with Western Cape

3

Milk SA engages with Perishable Products Export Control Board (PPECB)

4

Milk SA and Cedara explore co-operation  
Nicky Weimar on the South African economy

5

Livestock farmers will have to take greater responsibility for animal health

6

R&D environment takes firm shape

8

Retail sales & prices – selected products

9

The changing profile of the primary dairy industry  
Farewell to Cobus Dowry

10

News from the Board meeting  
Milk SA welcomes Jacques van Heerden on Board

11

Milk SA delegation addresses NAMC on transformation

12

Transformation Handbook now available

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.

# Koos Pienaar retires from Milk SA's Audit & Risk Committee

Koos Pienaar will be stepping down from Milk SA's Audit & Risk Committee in June 2014, after eight years of service on this committee. A dairy farmer from Theunissen, Koos was also a former Chairperson of Milk SA and a member of various Milk SA Advisory Committees. He took an exceptional interest in the welfare and development of the South African dairy industry and played an important role in making a success of Milk SA.



*Koos Pienaar*

## Milk SA signs Memorandum of Agreement with Western Cape

On 24 March 2014, Milk SA and the Western Cape Department of Agriculture signed a Memorandum of Agreement, signalling the start of significant co-operation and capacity building between the two institutions.

Intellectual and other resources will be provided by the Department to address R&D needs as defined by both parties - such as offering study leaders for post-graduate students where appropriate; and making available the extensive facilities, pasture and dairy ex-

pertise of the Outeniqua and Elsenberg research farms to conduct mutually approved and agreed upon research projects and technology transfer events.

In short, this means that dairy-related R&D in the Western Cape will now be more aligned with the organized dairy industry's strategic direction and also more relevant in terms of the needs of milk producers and other role-players, as well as making a marked contribution to transformation programmes in the Western Cape.

# Milk SA engages with Perishable Products Export Control Board (PPECB)

The PPECB as an assignee of DAFF, has a statutory obligation to inspect and test dairy products destined for export. PPECB is expected to, in compliance with the Agricultural Products and Standards Act No. 119 Of 1990, inspect dairy products for marking and packaging requirements, and to take samples for compositional analyses. The PPECB Laboratory, a centralized testing facility situated in Pretoria, is responsible for the compositional testing as per the minimum requirements of Regulation No. 2581 relating to Dairy Products and Imitation Dairy Products.



*Task Team (from l to r) Nico Fouché (CEO of Milk SA), De Wet Jonker (SAMPRO), Dr Dharmarai Naicker (General Manager: PPECB Laboratory), Johan Blaauw (PPECB) and Stuart Symington (CEO:PPECB).*

PPECB approached the Dairy Standard Agency and Milk SA to initiate discussions around PPECB's responsibilities in respect of the export of dairy products. A meeting was held in March where Milk SA and PPECB shared information. SAMPRO took the matter further with PPECB.



*A momentous occasion for dairy research in South Africa... Milk SA CEO Nico Fouché and the Department's HOD, Joyene Isaacs sign the agreement with Minister Gerrit van Rensburg behind them.*

# Milk SA and Cedara explore co-operation



*Left to right: Dr Trevor Dugmore (Specialist Researcher: Animal Science at Cedara), Dr Heinz Meissner (R&D Programme Manager: Milk SA), Nico Fouché (CEO: Milk SA) and Dr Hannes De Villiers (Senior Manager: Research & Technology Development at Cedara)*

Principles regarding a prospective Memorandum of Agreement with the KZN Department of Agriculture and Environmental Affairs was discussed at Cedara with Dr Trevor Dugmore and Dr Hannes de Villiers in March 2014. A Memorandum of Co-operation between the MPO and the

department is already in place, in terms of which certain infrastructure development has already been attended to, such as the refurbishment of the Cedara dairy section and the exchange of dairy production skills. Milk SA will ensure harmonization of the role-players' involvement.

## Nicky Weimar on the South African economy

Nicky Weimar, Senior Economist at Nedbank, delivered a presentation at the recent Members' meeting of Milk SA in Pretoria. She sketched a rather sombre picture of the South African economy, as the economic growth dropped from 3,5% in 2011 to 0,6% for the first quarter of 2014. Unlike other emerging markets where the domestic potential was being unlocked in all possible respects and where satisfactory economic growth occurred, the South African scenario was a little bleak. Ongoing strikes, unemployment, poverty and the critical state of basic infrastructure such as energy, road, rail and water, undermined social and economic stability. She said that the IMF did not see the South African economy growing towards 4% by 2016, which would be the desired figure for the country to address its problems.



*Nicky Weimar*

# Livestock farmers will have to take greater responsibility for animal health

***“Livestock farmers will, in future, have to take much greater responsibility for the health of their livestock. This issue cannot be the responsibility of the Directorate: Animal Health alone.”***

This was the view of Animal Health Director, Dr Mpho Maja, during an interview with a representative of the Animal Health Forum in April this year.

Dr Maja said that more could be done in terms of protecting animals against disease, as many livestock farmers do not even comply with basic biosecurity measures.

In February this year, the Directorate was rewarded for its hard work in reinstating South Africa's FMD-free status, following a three-year ban, due to an FMD outbreak three years ago. When asked about measures to be put in place to ensure that South Africa would continue to enjoy its FMD-free status, Dr Maja replied that vigilance in control measures was vital. She said a crucial area pertained to individual animals in the protection zones, mentioning that ear tags were being manufactured and distributed to the respective areas, where tagging was due to have started in

April. She urged all animal owners in these areas to participate.

Asked about fences at the borders and also about fences adjacent to the Kruger Park, Dr Maja said the Park had never actually presented a problem and that the fences were well maintained, although there were periodic breaks – as could be expected from elephants – which left an opportunity for buffalo to escape. She said the international fence between South African and FMD-infected countries was also relatively well maintained.

The OIE will be conducting inspections in December 2014 and hopefully the necessary controls will be in place so that South Africa's FMD-free status can be renewed.

# R&D environment takes firm shape

R&D is one of the core pillars of a healthy, competitive industry. An industry can only grow through constant innovation. The main role of Milk SA in this regard is to co-ordinate R&D activities in the SA dairy industry to be aligned with the strategic objectives of the organized industry, and to make empiric R&D information available to the industry.

The accompanying structure shows a network of partnerships that has been established over the past number of years, and which is described briefly in the next few paragraphs.

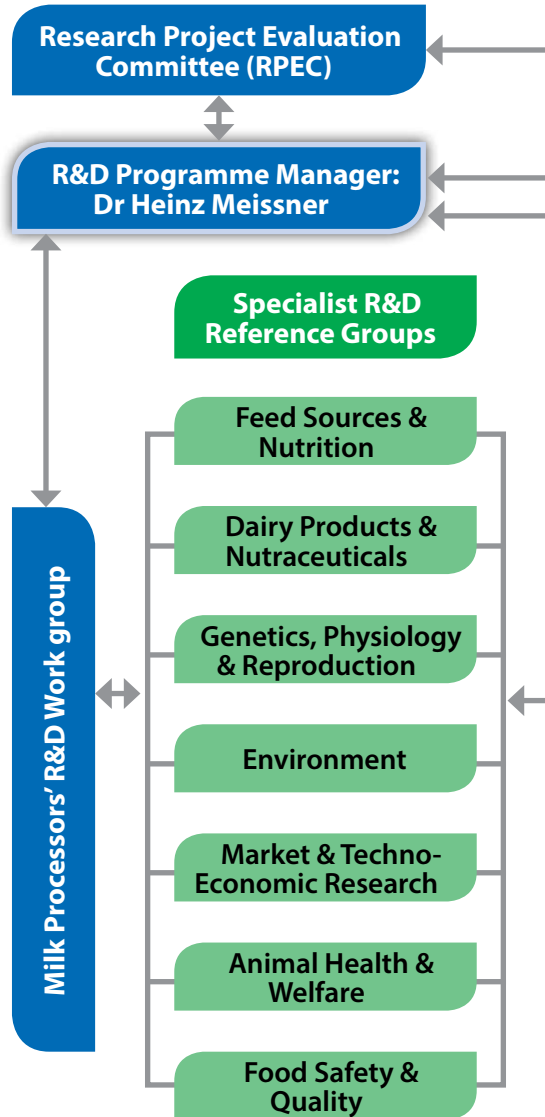
The broad scope (R&D fields and subjects) is determined by the R&D Forum and once approved by the Advisory Committee and the Board, it is communicated throughout the dairy industry as a guideline for R&D activities that would drive the competitiveness of the SA dairy industry.

Dr Heinz Meissner, R&D Programme Manager for Milk SA, is centrally positioned to harmonize and co-ordinate all activities as far as possible.

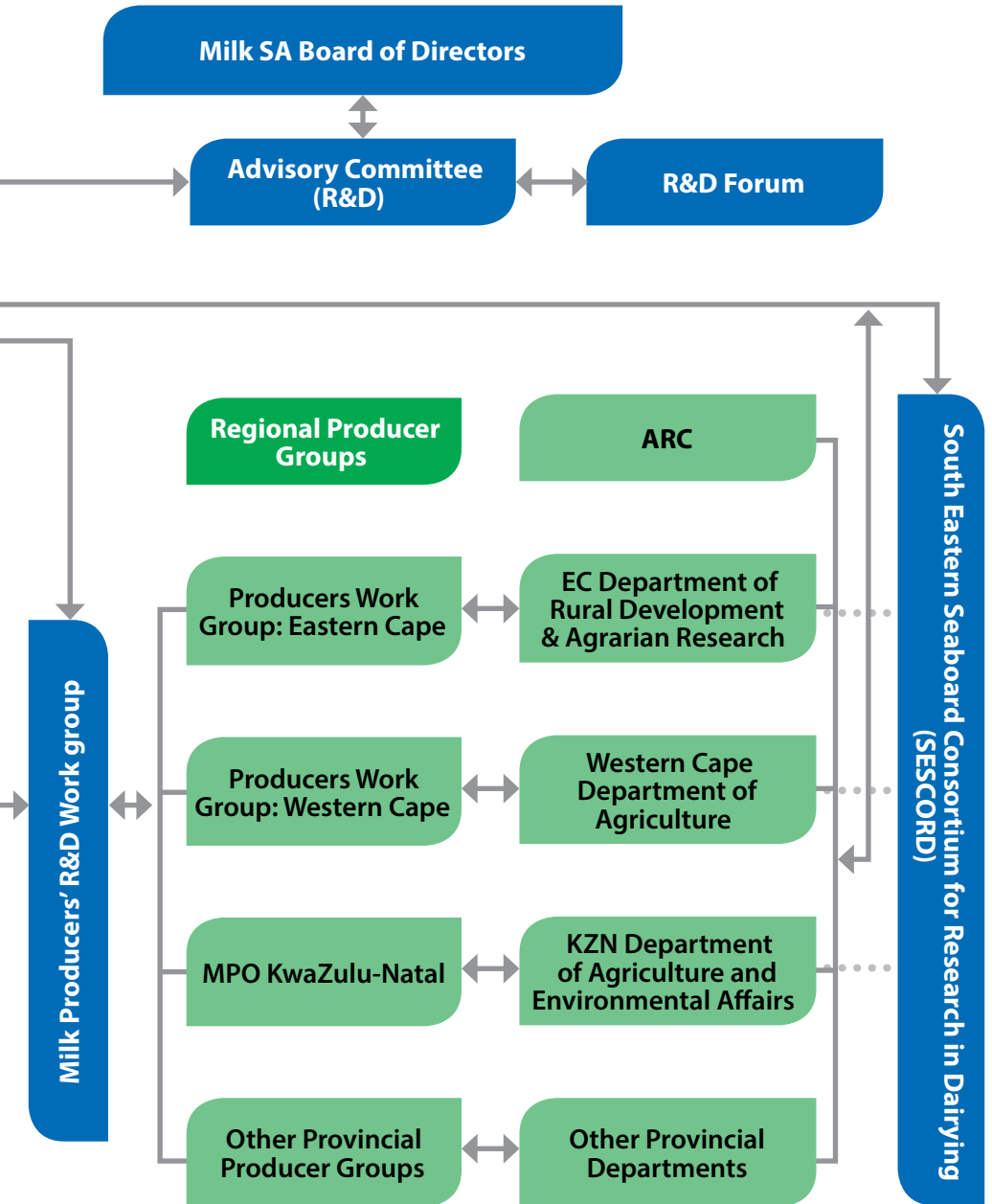
Milk SA endeavours to sign Memoranda of Agreement with all relevant provincial departments and to co-operate with producer work groups in

*continued on page 8* ▶

## Research & Development



# Development Network of Milk South Africa



# Retail sales & prices, selected products

Product	Market growth 2013/2012	Price change 2013 / 2012
Butter	17,2	-8,8
Pre-packed cheese	17,1	1,3
Long life milk	8,0	5,6
Maas	6,9	3,4
Cream	3,6	9,4
Instant cereal	2,9	4,3
Cream cheese	2,6	7,1
Maize meal	2,4	-1,8
Flavoured milk	1,5	5,1
Yoghurt	1,2	3,8
Margarine	0,4	2,8
Rice	0,3	8,2
Coffee	-1,7	11,7
Tea	-1,9	10,9
Fresh milk	-5,9	7,1

Source: SAMPRO based on Nielsen report

▶ *continued from page 6*

the regions, so as to ensure that the demonstrated needs are addressed in a well-co-ordinated way; that duplication is minimized; and resources are utilized optimally.

In this regard, co-operative research networks (CRN's) are actively encouraged such as the recently established SESCORD, which is an initiative to make use of resources and expertise in the South-eastern seaboard region of South Africa in order to optimize dairying in this pasture-based region.

The Milk Processors' R&D Work Group and the Milk Producers' R&D Work Group are responsible for co-ordinating and prioritizing the demonstrated R&D requirements and to propose project concepts for consideration by the RPEC, which in turn will invite researchers to come forward with proposals.

Seven expert reference groups are available to the above-mentioned work groups and the RPEC, to assist in any technical aspect of the process, from initiation of a concept to consideration for the approval of a project.



## The changing profile of the primary dairy industry

Information on the profile of the primary industry is of extreme importance to Milk SA and the SA dairy industry at large. The Milk Producers' Organization (MPO) is responsible for administrating statutory regulations in terms of which all milk producers in South Africa have to register with and submit monthly information to the MPO. Milk SA has therefore included this MPO project in its project planning and budget for the past number of years.

The recent 2013 MPO report shows that 53% of dairy herds were still smaller than 200 cows, while 24% of herds were larger than 500 cows. Fifty percent of producers produce 3 000 litres and less per day, and 45% produce more than 4 000 litres per day. Large milk producers (above 5 000 litres / day) produce 87% of the total South African milk production. The full and final report will soon be available from Milk SA.

## Farewell to Cobus Dowry



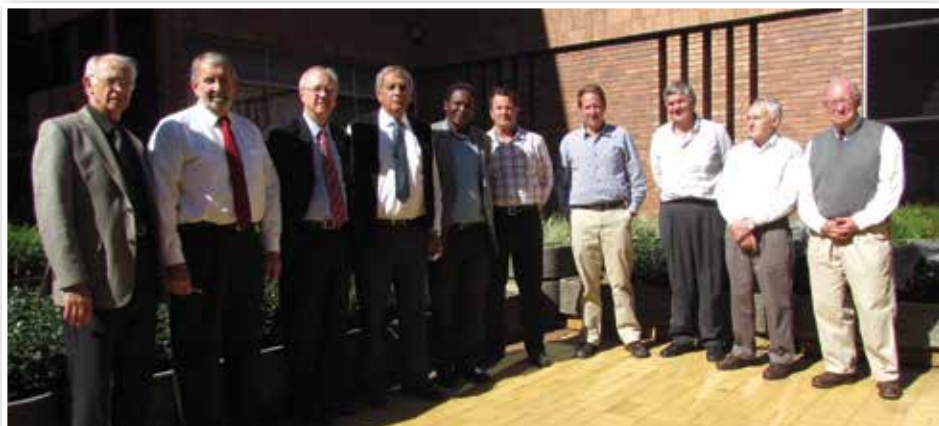
A director of Milk SA, former Western Cape Minister of Agriculture, radio and television personality, Cobus Dowry passed away on 5 May 2014 at the age of 67 after a long struggle with pancreatic cancer. According to a press release issued shortly after his death, Cobus "will be remembered as a passionate farmer who went from farmworker to parliament to make a difference in the lives of farmers."

Cobus was also a director of the Agri Mega Group until November 2012 and served as chairperson of the United South African Agricultural Association (USAAA) since its inception. After his retirement, he and his wife started farming with olives in Tulbagh.

Cobus did his Masters in the ethics of violence in TV news at the University of Potchefstroom and at the time of his death, was completing his doctorate at the University of Stellenbosch.

Cobus leaves his wife, 8 children and 14 grandchildren.

# News from the Board meeting



*The Milk SA Board of Directors on 3 June 2014, from left to right: Prof Chris Blignaut (Chairman), Frik Grobler, Bertus de Jongh, Alwyn Kraamwinkel, Godfrey Rathogwa, Melt Loubser, Tom Turner (Vice-Chairman), Willie Prinsloo and Danie Schutte.*

At its meeting of 3 June, the Board approved its annual report and financial statements for 2013 which were accepted by the Members the following day. Special attention was paid to the broad structure which has been established for Research & Development, the co-operation with provincial departments and projects which have been identified to address problems such as liver fluke, antibiotic resistance of mastitis organisms and milk flocculation. The reports are available at [www.milk.co.za](http://www.milk.co.za).

## Milk SA welcomes Jacques van Heerden on Board

Jacques van Heerden joined the Board of Directors with effect from 4 June. An admitted attorney, he gained experience in the legal world with *Werksmans* attorneys and is currently the Group Legal Manager and Group Company Secretary for Clover Industries.



# Milk SA delegation addresses NAMC on transformation

The National Agricultural Marketing Council (NAMC) is currently reviewing the objectives of transformation activities that should be pursued in respect of the statutory regulations in all the relevant agricultural and agro-processing industries. The position of Milk SA was presented by a delegation consisting of Willie Prinsloo, Godfrey Rathogwa, Nico Fouché, Nigel Lok and Alwyn Kraamwinkel.

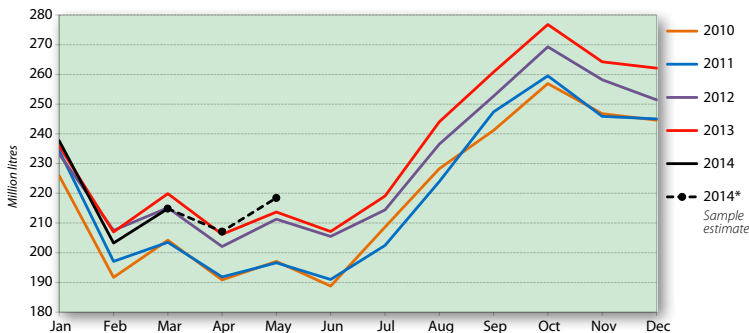
Milk South Africa clearly stated that the transfer of knowledge and skills to the previously disadvantaged persons in both primary and secondary industry sectors is an integral part of transformation, as it offers them structured career path opportunities within the formal Seta and SAQA environment, while it should be noted that the organized dairy industry is best equipped to inform the suitable curricula.

Furthermore, Milk SA's position was that it could not be expected of Milk SA to assume responsibilities of Government and the private sector, such as the es-

tablishment of black milk producers or to increase black ownership in private businesses. However, Milk SA recognized its role to facilitate transformation and pointed out that harmonization between central and provincial government structures such as DAFF, DTI and provincial departments was a prerequisite to fulfilling this role effectively.

The NAMC showed much interest in the transformation activities of Milk SA and indicated that they would like to participate in the different transformation committees of the company.

## Monthly Raw Milk Production Trend January 2010 – May 2014



# Transformation Handbook now available

Milk SA's recently published Transformation Handbook provides useful information for persons who are interested in becoming involved in transformation activities, and those who are in need of empowerment. The book explains activities undertaken by Milk SA, MPO, SAMPRO and other role-players such as government and financial institutions; it provides handy contact details, exhibits career path opportunities and many more.

**It can be ordered from Milk SA on [nicolette@milksa.co.za](mailto:nicolette@milksa.co.za).**

