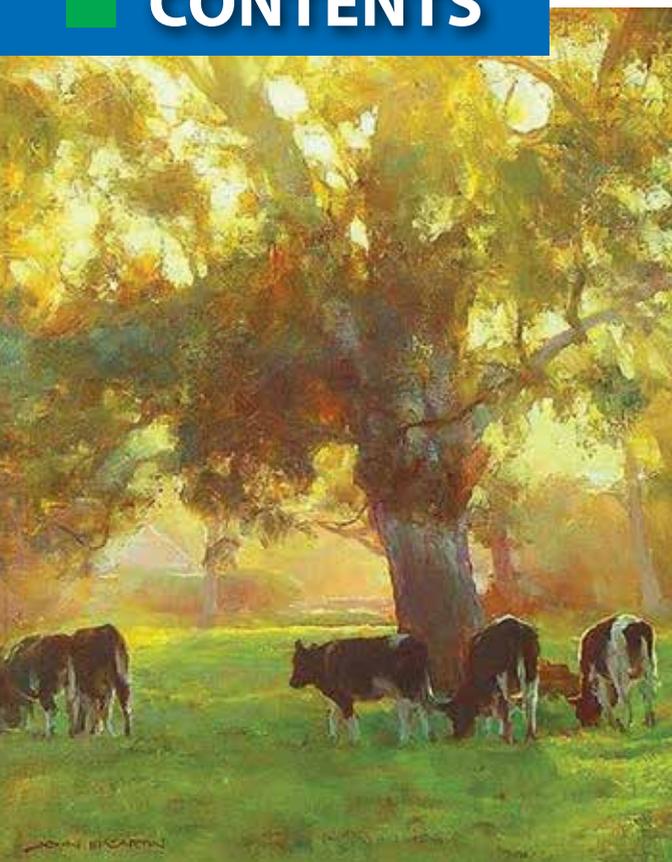


Milk Essay

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EFFICIENT ANIMAL FEEDING ON THE AGENDA

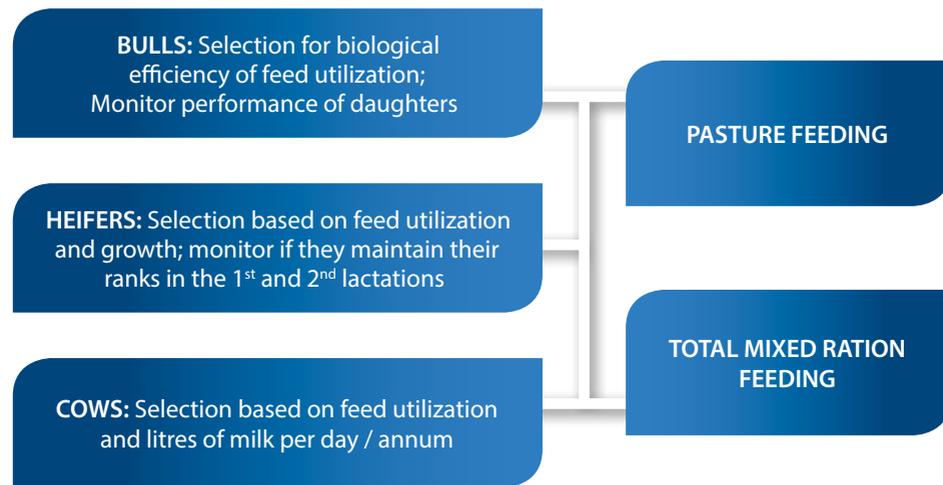
Feed costs account for about 60 percent of the total production cost and that is why Milk SA embarked on a project to target feed efficiency, as a means of improving the profitability of the South African dairy industry.

Residual Feed Intake (RFI) means the difference between the actual feed intake and the expected feed requirements for maintenance of body weight, weight gain, milk volumes and milk composition.

The project will start with a literature study and on-farm measurements of feed-intake at five farms in the Western Cape.

The approach for pasture systems will be different to that of TMR systems and a practical methodology will be investigated.

One or more of the approaches in the diagram below will be investigated:



Government closes in on GHG

Dr Heinz Meissner represents the organised dairy industry on a committee advising the Department of Environmental Affairs (DEA) on climate change and GHG reductions. He is also on an advisory

group of Agri SA in this regard to formulate their approach and strategy. The DEA developed in draft format their "Strategic Plan: Measurement, Reporting and Verification for the AFOLU Sector 2016 to 2020" (AFOLU

Industries discuss co-operation in animal health matters

The problem of resistance to antimicrobials and anthelmintics identified in the dairy research programme as being a top priority is also a major problem in the Red Meat, Wool and Mohair sectors. Thus, it made sense to facilitate co-operation between the sectors in addressing the problem of resistance.

In a meeting on 11 March 2016 with the relevant CEOs the principle of working together (possible joint projects which should positively influence efficacy, sustainability and resources) was established.

The concern was expressed that expertise and capacity at OP was dwindling. The proposal of establishing a Research Chair in Antimicrobial / Anthelmintic Resistance at the Veterinary Faculty to address both the resistance issue and capacity building was also supported by the CEOs of the other livestock sectors and since followed up with the Dean of the Veterinary Faculty at OP. The Research Chair appears to be the logical way to take the issue forward.



Dr Heinz Meissner (MSA Programme Manager: R&D), Nico Fouché (MSA CEO), Prof Vinny Naidoo (Deputy Dean: Research and Postgraduate Studies at UP-Onderstepoort) and Prof Darrell Abernethy (Dean, Faculty of Veterinary Science at UP-Onderstepoort)

Brucellosis is a major concern of all ruminant livestock sectors. In the five year research plan of Milk SA, further investigation into the problem of brucellosis was supported by the Board of Directors of Milk SA. Discussions were initiated in 2015 with the CSIR where research is being done to develop a rapid on-site diagnostic tool to diagnose brucellosis and other diseases. The CEOs of the other sectors supported the initiative and discussions will soon be held with the Animal Health Forum and DAFF, together with the CSIR to take this initiative forward.

is the acronym for Agriculture, Forestry and other Land Use), which addresses targets and time lines for mitigation for the Sector, as well as measures such as taxation if the targets and time lines are

not met. The advisory group will guide the approach of Agri SA towards the Strategic Plan of the DEA. The MPO also works closely with Dr Meissner regarding the primary dairy industry's strategy responsibilities.

UKZN and UP join forces in the liver fluke battle



Above: The intermediate host snail (*Linæa truncatula*) of the liver fluke (*Fasciola hepatica*)

Left: Mawahib, Jan van Rensburg and Jan van Wyk inspecting a marshy spot which looks promising for finding snails

The liver fluke programme of Milk SA consists of two projects:

- i. *Fasciola hepatica*: Impact on Dairy Production and Sustainable Management on Selected farms in South Africa, with Dr Jan van Wyk of OP as Project Leader, and
- ii. Integrated Control of Liver Flukes of Cattle using Botanical Extracts and Bio-control Agents, with Prof Mark Laing of UKZN as Project Leader and post-doctoral student Dr Mawahib Ahmed as the responsible researcher.

It appeared logical to promote co-operation, since the sampling and surveillance activities of the first-mentioned project are important for the other project as well. In addition, the outcomes of the first-mentioned will provide seasonal information,

distribution and sensitivity criteria of the Linæus intermediate host (snail) of *Fasciola*, which would be of value in strategizing the approach to finding and implementing bio-agents which would kill or control *Linæus*.

At this stage it appears that the first phase of the second-mentioned project should be to focus on *Linæus* since *Fasciola* cannot complete its life cycle without the intermediate host and therefore the parasite cannot damage the cattle liver.

A meeting, strategizing session and the March 2016 sampling visit of Dr Van Wyk and team to the Tsitsikamma farms were facilitated to familiarize Dr Ahmed familiar with the operating procedures of his project. It is anticipated that the co-operation should streamline operating procedures, timelines and costs.

Social media and digital advertising campaign launched



A social media and digital advertising campaign were implemented to carry the messages of the campaign and to support the microsite and the Facebook page. Promoted messages and videos appear on social media sites visited by teenagers such as YouTube, Facebook, MXIT, 24.com. This activity is ongoing and an extra budget is allocated to the activity during the months that the TV advertisements are flighted.

- A new concept of the 'Go-Guy' will be introduced to Facebook in June 2016. This will create content for the 'dairy-givesyougo' Facebook page.
- The 'Go Guy' will present the educational material in video format. This footage will

be shot at the same time as the television advertisements.

- 'Tasty Tuesday Treats' have been introduced to the Facebook. These are videos of quick, fun and simple recipes with dairy products

Four 'Tasty Tuesday Treats' videos have also been developed and can be viewed on the "Dairy Gives You Go" Facebook page and the 'Rediscoverdairy' website:

- 'On the go' Mocha Java milkshake
- 1 Minute cheesecake
- Home-made frozen yoghurt
- 1 minute quiche

LABELS & LEGISLATION

Every manufacturer / packer / retailer / importer of agricultural and related products intended for sale in South Africa and regulated under the Agricultural Product Standards Act, 1990 (Act No.119 of 1990) [APS Act] has the responsibility to ensure that his/her products are labelled in accordance with the marking requirements set out in the regulations relating to the product concerned.

It is therefore important for all stakeholders to familiarise themselves with the provisions of the APS Act and its regulations. All the latest regulations can be accessed on the Department of Agriculture, Forestry and Fisheries' (DAFF) website by following the below link and route:

www.daff.gov.za

Branches

Agricultural Production
Health & Food Safety

Food Safety & Quality
Assurance

Local and Import
Regulations

Stakeholders should however take note that, in terms of the APS Act and its regulations, it is not a mandatory requirement to submit labels for evaluation to DAFF (a) during the process of designing of labels / artwork, (b) prior to printing of labels, (c) prior to presenting the product for sale, or (d) prior to importing the product concerned. It is however recommended - since it will prevent the issuing of directions / seizures by DAFF inspectors in the trade for non-complying products, prevent any disruptions in the trade, and minimise write-off costs of incorrect labels and the costs incurred with the designing and printing of revised / new labels.

Stakeholders who want to have their labels evaluated may approach the inspectors of the Directorate Inspection Services (DIS) of DAFF at the regional office closest to them for assistance.



The added sugar debate

During 2015, the Consumer Goods Council of South Africa (CGSA) – as part of the initiative of the Department of Health - called for a voluntary reduction of the added sugar content of food products. This came as a result of Government's decision that industry should contribute to the fight against non-communicable diseases and that because of its relationship to obesity, sugar had to be reduced in food products. The dairy products mentioned in respect of a reduction in the added sugar content are drinking yoghurt, yoghurt and flavoured milk.

SAMPRO established a work group which consists of the CEO of SAMPRO, the CEO of the Dairy Standards Agency and the Coordinator of the Consumer Education Project of Milk SA, to discuss and consult with other experts on the issue of added

sugar. A work shop was held by the end of last year and members of the dairy industry participated.

The approach adopted during the work shop includes the following:

- Action against obesity should not only attend to the added sugar content of food products as, amongst others, the attitudes of consumers in respect of obesity are also relevant and should be addressed;
- The contribution of added sugar content of the three above-mentioned dairy products to the energy intake of the population is extremely small; and
- The labelling regulation should be amended to allow the statement of the added sugar content to appear on the front-of-pack labels, and the added sugar content of food products should not be prescribed by law.

Flocculation projects on the go ...

Contracts have been signed between Milk SA and the University of the Free State for two projects to investigate flocculation in milk.

Prof Celia Hugo will be responsible for investigating - amongst others - potential sources of contamination and the seasonal effect on the prevalence of the bacterial contaminants; a comparison of conventional methods for detection of psychrotrophic bacteria with accelerated methods; and the correlation of microbial quality counts of raw milk with accelerated psychrotrophic tests. The most prevalent psychrotrophic bacterial types when the milk flocculates will also be determined.

Dr Koos Myburgh's responsibilities will - in a nutshell - be to do a literature review of rapid and sensitive screening techniques for microbial protease and plasmin activity in milk; to validate methods for the determination of proteolytic activity in raw milk; and to use selected tests for the determination of proteolytic activity, to establish proteolytic activity.

Female leader in the dairy industry honoured by Agri-Expo

Rina Belcher of *Belnori Boutique Cheesery* was honoured by Agri-Expo for her consistent and dynamic leadership in the dairy industry at the prestigious *Qualité Awards* dinner on 27 April 2016.

According to Agri-Expo, Rina is a master at the art of making cheese and her numerous awards and accolades bear testimony to this. Under her leadership, *Belnori Boutique Cheesery* has received 11 international and 40 national awards, including the 2016 *Qualité* award for *Belnori's* Benedictus cheese.



Johan Ehlers, chief executive officer of Agri-Expo, Rina Belcher and Kobus Mulder, an international cheese expert.

Dairy products compete well in the market place

Changes in the average retail prices & changes in the quantities of retail sales of specific dairy and other food products.



Product	Average retail prices for December 2015 vs December 2014		Sales in the 12 months from January 2015 to December 2015 versus the sales in the 12 months from January 2014 to December 2015	
	%	Ranking	%	Ranking
Maize meal	20.7	1	-0.1	15
Tea	13.3	2	-4.1	17
Butter	10.2	3	5.0	8
Margarine	7.5	4	-0.3	14
Rice	6.4	5	3.7	9
Coffee	6.0	6	3.3	11
Flavoured milk	5.3	7	6.7	6
Short life juice	4.5	8	3.7	10
Cream cheese	3.5	9	0.0	13
Yogurt	3.4	10	6.5	7
Instant cereals	1.5	11	8.0	4
Bread	0.5	12	0.9	12
Cream	0.1	13	9.8	2
Pre-packed cheese	-2.4	14	7.2	5
Maas	-2.6	15	8.6	3
Fresh milk	-3.6	16	-1.6	16
UHT milk	-10.7	17	14.4	1

Sales performances were generally speaking at the expense of price. Except for butter, price increases for dairy products were below CPI.

Source: The Nielsen Company, as prepared by SAMPRO

The Industry Information Portfolio of Milk SA and its scope of activities

COLLECTION, PROCESSING AND DISSEMINATION OF NATIONAL AND INTERNATIONAL DAIRY INDUSTRY INFORMATION

Project Manager:
MPO (Dr Koos Coetzee)

OUTPUT:

- Dairy Digits (Monthly)
- Dairy Industry Review (Quarterly)
- LactoData (Twice a year)
- Primary dairy sector survey based on statutory measures (Yearly)
- International competitiveness of the SA milk producers (Yearly)
- Summary report of the World Dairy Situation (Yearly)
- Summary report of the International Farm Comparison Network (Yearly)
- PowerPoint Report to the Members of Milk SA (Twice a year)
- Trends of retail sales* (Quarterly)
- Macro picture of South Africa's imports and exports of dairy products* (Quarterly)

* Prepared by SAMPRO.

Work Group:

Milk SA CEO, Dr Koos Coetzee, Alwyn Kraamwinkel, De Wet Jonker, Bertus van Heerden.

PARTICIPATION OF THE SA DAIRY INDUSTRY IN THE INTERNATIONAL DAIRY FEDERATION (IDF) THROUGH THE SA NATIONAL COMMITTEE OF THE IDF

Project Manager:
SANCIDF (Edu Roux)

OUTPUT:

- Bulletins
- Standards
- Newsletters
- "Back-home" Reports of SA delegates to the World Dairy Summit and input of SA experts to the IDF in the areas of:
 - Animal health and welfare
 - Dairy Science and Technology
 - Economics, Policies and Marketing
 - Environment
 - Farm Management
 - Food Standards
 - Hygiene and Safety
 - Methods of Analysis and Sampling
 - Nutrition

Exco: SANCIDF President (Dr Chris van Dijk), Vice-President (Melt Loubser), Dr Koos Coetzee, Mr Alwyn Kraamwinkel, Dr Jan Floor, Edu Roux (Secretary), Niel Erasmus (DAFF).

CUSTOMS DUTY AND MARKET ACCESS PROJECT

Project Manager:
SAMPRO (De Wet Jonker)

SUBJECTS OF ACTIVITIES:

- Multilateral Trade Relations
- Africa Trade Relations
- Europe Trade Relations
- America and Asia Trade Relations
- Comments on ITAC applications
 - Ordinary customs duties
 - Action against dumping and subsidised imports
 - World Trade Organisation commitments
- Export Certification Facilitation
 - Update Trade protocols
 - Update the Veterinary Procedures Network
 - Interact with DAFF and PPECB
- Import Monitoring
 - Monthly analysis of import statistics
 - Provide information to Dairy Standard Agency
- Animal Health Forum: Industry and Government liaison

Management Committee:

Barbara Bieldt, Jompie Burger, Dr Koos Coetzee, De Wet Jonker, Alwyn Kraamwinkel.

Milk SA at work ...



Members of the Advisory Committee: Customs & Market Access (April 2016)



Management Committee of the Customs and Market Access Project of Milk SA De Wet Jonker, Barbara Bieldt, Alwyn Kraamwinkel, Jompie Burger



The National Milk Producers Research Work Group recently at the Farm Inn in Pretoria, where they discussed the producers' research needs:
Dr Jan van Wyk, Gideon Lamprecht, Bradley Schwartz, Nina Slabber, Alwyn Kraamwinkel, Nicolette Teichmann, Nico Fouché, Dr Martin van der Leek, Phillip Swart, Dr Heinz Meissner

Milk purchases lower in the first quarter of 2016

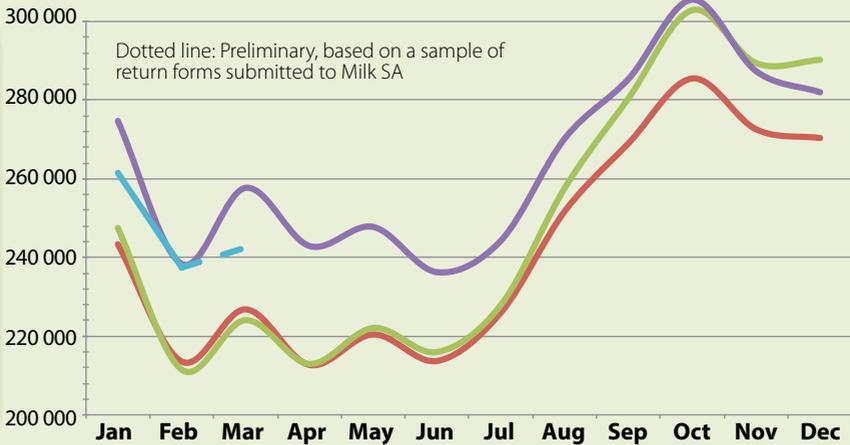
Milk purchases for March 2016 were 5,85% lower than the amount bought in March 2015. An amount of 242 648 tonnes is the preliminary milk purchase figure for March 2016.

The estimated cumulative raw milk purchases (Jan - Mar 2016) is 741 580 tonnes, which is

3,79% lower than the corresponding period in 2015.

The total milk purchases reported for 2015 is 3,173 million tonnes, versus 2,983 million tonnes in 2014, which is an increase of 6,37% for 2015.

Tonnes of unprocessed milk



- Source: Milk SA.
- Note: 2013 - 2015 Reviewed, based on total figures declared to Milk SA.
- The composition of the sample (to determine the preliminary figures for the last two months) was amended because of changes in market participants' market shares of milk purchases.

