

Business better for milk farmers

The expansion of South Africa's middle class bodes well for milk producers, SA Milk Producers' Organisation's chief executive Bertus de Jongh said on Tuesday (27 August).



"This and other growth aspects indicate that the future prospects for South Africa's milk producers are positive," he told the annual conference of the Free State Milk Producers' Organisation (MPO).

De Jongh said South Africa had lost many dairy farmers because of the global economic downturn, but those remaining were producing more milk than in the past.

"They have probably grown bigger," he said.

Agricultural economist Johann Kirsten confirmed there was a positive outlook for milk producers. "Most [projection] models on prices for dairy show an increase over the next two years," he said.

Kirsten said the growth in people's incomes around the world and in South Africa had resulted in a bigger demand for animal protein. "The milk industry is not dawdling," he said, adding that the demand for products such as cheese had grown.

Free State MPO chairman Bernard Maree said the local organised dairy industry had come through one of the worst years in its existence. "Prices and the sustainability of the dairy industry are a source of concern," he said.

Maree said Free State milk producers urgently needed better prices for their product or the province would lose more milk farmers. He said farmers and milk buyers should find common ground for the long-term survival of the industry.

Maree expressed concern about government dairy projects launched in the Free State, at places such as Harrismith, Ficksburg and Vrede. "To this day, the MPO has not received any request to help with the necessity or sustainability of the projects," he said.

Maree agreed that working together with the provincial government was essential to grow the industry and increase

agricultural awareness.

Source: Sapa via I-Net Bridge

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