



Collection, processing and dissemination of national & international information for the dairy industry of South Africa.

(PRJ-0068-2015)

Milk Producers' Organisation

Quarter 2 2015/2015 (April 2015 till June 2015)

Project goals

Goal 1 - Dairy Digits (monthly)

Achievements

Dairy digits was published in the April, May and June 2015 issue of The Dairy Mail

No Non-achievements / underperformance has been reported

Goal 2 - Dairy Industry Review (March, August, December)

Achievements

No issue of Dairy Industry Review was published in the reporting period

No Non-achievements / underperformance has been reported

Goal 3 - Lacto Data (May, November)

Achievements

Lactodata Vol 18, No 1 was published and included in The Dairy Mail, May 2015 issue. It is also available from the MPO and Milk SA websites.

No Non-achievements / underperformance has been reported

Goal 4 - Report on the statutory measures i.r.o. the primary industry sector

Achievements

Report due in January 2016.

No Non-achievements / underperformance has been reported

Goal 5 - Report on the international competitiveness of SA milk producers

Achievements

The 18th IFCN Conference was attended in June 2015. The following press statement was issued at the end of the conference. An article on the conference will be published in the August 2015 issue of The Dairy Mail.

World milk price fell below 0.30 US-\$ (0.26 Euro) /kg milk ECM and faces the 3rd crisis within only 8 years

During the three day IFCN Dairy Conference in Kiel, Germany, milk experts from 45 countries gathered to discuss the global status and perspectives of milk production and milk prices.

Current hot topic within the dairy industry is the present record low milk price. Torsten Hemme, CEO of IFCN and host of the conference, stated in his welcome speech: "The world milk price fell below 0.30 USD (i.e. 0.26 EUR)/ per kg of milk (June 2015). This means, we are facing the 3rd crisis within only 8 years. This affects the milk production in every country in the world."

Key reason for this severe decline of milk prices is the imbalance of world milk supply and demand in 2014. Right now, good weather conditions and also the fact of EU quota removal have pushed milk supply despite low prices. The import ban in Russia and China and market psychology factors play a significant role as well.

Dairy farm economics 2014 and 2015

Milk producers of most countries benefitted from good dairy farm economic conditions in the year 2014. Milk prices were high and feed prices low. However, the new IFCN Real Time Farm Economics tool indicates decreased farm profitability in 2015. Especially in countries where the national milk price closely follows the world market, farm profitability has already now reached a critical level.

"For me as a researcher, these key findings are of very high value. I need the IFCN network and the data to serve the dairy industry in my country. With the information on profitability and perspectives, we can prepare our dairy market for the future and ensure a sustainable milk production", commented an IFCN network member from the Netherlands.

118 million dairy farms world-wide in 2014

Based on the IFCN Country Profile collection of more than 100 countries, there are currently 118 million dairy farms in the world. On average, a farm keeps 2.9 cows with an average milk yield of 2.2 t / cow and year. In the past (data from 1996 – 2013), the number of dairy farms increased constantly. This trend has changed now. "Looking backwards, the increase in milk supply was realised by an increasing number of dairy farms and dairy cows. Now, on global level, the trend follows mostly the developed countries. In those countries, farm number has significantly decreased, while national milk production is on the same level. This level can only be reached by an increased herd size and increased milk yield", explained Anders Fagerberg, chairman of the IFCN board, to the audience.

No Non-achievements / underperformance has been reported

Goal 6 - Summary report on the World Dairy Situation (November)

Achievements

Report due in November 2015.

No Non-achievements / underperformance has been reported

Goal 7 - Report on attendance of the IDF Standing Committees and World Dairy Summit proceedings (December)

Achievements *The report will at least summarize the proceedings of the Standing Committee on Farm Management and conferences that will be attended by Dr Coetzee. For each committee / conference, a report of at least 700 words will be presented.*

Conference takes place in Vilnius in Lithuania in September 2015.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	Statement second quarter 2015.pdf
Unnecessary spending during period	No

Popular Report

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Additional documentation

No file has been uploaded

Statement

Levy funds were applied only for the purposes stated in the contract	Yes
Levy funds were applied in an appropriate and accountable manner	Yes
Sufficient management and internal control systems were in place to adequately control the project and accurately account for the project expenditure	Yes
The information provided in the report is correct	Yes