



**BRIEFING NOTES FOR MR CYRIL XABA, MEC FOR KZN  
AGRICULTURE AND RURAL DEVELOPMENT (KZN DARD)  
DURING HIS VISIT WITH DAIRY FARMERS  
IN THE HARRY GWALA DISTRICT**

John Bredin who coordinated this meeting

His Worship the Mayor of Harry Gwala District Muleleki Ndobe

His Worship the Mayor of uBuhlebezwe Municipality Zamo Nxumalo

The Farmers present who took the time off their busy schedules to be here

The Clover Depot Managing Team

Acting Head of my Department Ms G J Majola and all officials present

I come bearing good news and I know that it is not as yet known within the dairy sector. It is something the Milk Producers Organization (MPO) as a commodity association has long been campaigning for - that is the introduction of milk in the school nutrition programme.

Our counterparts in the provincial Education Department have received a directive from their National Department that the schools nutrition menu for 2015 must include amasi, puthu and long-life milk. This new menu should be implemented by April 1st this year and contractors who supply meals to schools will be looking for sources of long-life milk and amasi.

The Commodity Association has campaigned long and hard for milk to be incorporated into school feeding schemes. Government has listened!

This will certainly offer an economic boost to the milk sector, but it will also have health benefits for our children. In fact, about two years ago milk, maas and yogurt as part of the daily diet was one of

the key messages in the revised Food-based Dietary Guidelines (FBDGs) for South Africa. One of the reasons the Department of Health made this revision was because studies showed calcium and potassium deficiencies among South Africans. We have persistent under-nutrition in children and the school's feeding scheme was started precisely because so many children were arriving at school hungry.

The uncertainty around the land reform process is a challenge that all commodity organisations face. You also have your own challenges here in the Harry Gwala District as I heard this morning.

In preparing for this visit, I tried to find out how many dairy farms shut down due to the land reform program and what can be done to revitalise them. MPO could not give me any definite figures and it would be a helpful exercise to collate these figures for dairy farms in KZN so that we can find district appropriate solutions going forward.

I was encouraged to learn that the Memorandum of Understanding (MOU) between your commodity association, and my department is bearing fruit. According to the MPO, the MOU with the department has helped with staff assisting with resolving differences in land conflict issues.

This department has also benefitted from the MOU with an exchange of skills and assistance with infrastructure development such as the refurbishment of the Cedara dairy section. I want to thank you as dairy farmers and your commodity organisations for being far-sighted and wanting to work in cooperation with government in transforming the milk sector. As President Zuma said in his State of the Nation Speech last Thursday, "Together we can move South Africa Forward."

I am well aware that of all the farming enterprises dairy farming is the most highly mechanised and demands a huge injection of capital to get started. This is a huge barrier for emerging farmers.

There is also the issue of low returns and this is where the economies of scale come in. To pay off debt and earn a margin of profit dairy farms are getting bigger. I understand that it takes around R45 to R60 million to establish a commercially-based dairy farm and that about 500 cows are the norm to keep the operation viable. This is a huge barrier for emerging and some of you have helped make this much easier for emerging farmers in your district.

There is also what one newspaper dubbed the "battle of the soul of the dairy industry" where dairy farmers whose numbers are steadily declining are in a price war with the processors.

These and other challenges are what we must work together to overcome as the growth of our dairy industry is necessary not just for the health of our economy but also for South African being a healthy nation. I still remember the milk adverts on billboards and in magazines, which told us as children that we had to drink milk to get strong bones and teeth.

The South African dairy industry is important to the job market with over 4 000 milk producers employing 60 000 farm workers and providing 40 000 people with indirect jobs within the value chain like milk processing and milling industry. I've been told that milk in dollar terms is the biggest agricultural commodity in the world and that it is about the fourth biggest agricultural food commodity in South Africa after chicken, beef and grain.

KwaZulu-Natal produces about 30% of the country's milk, this amount to about 700 000 000 litres per annum. Wages in the sector are between 21 and 28 cents per litre, so you are a big contributor to household incomes in this province – over R150 million per annum.

The milk sector is crucial to our provinces economic growth and we need to work together to grow the sector. This engagement is a start, and I hope it will be the beginning of continued cooperation. Together we can move our dairy industry forward.

I have listened to your words of wise counsel and the suggestions you have made on taking our partnership forward. I want to assure you that the department will be reflecting on all that has been said. You are not alone; the new vision for agriculture in this province is to have an inclusive, sustainable and vibrant sector. I emphasise 'inclusive' as this is the basis we will be taking the vision forward. Our focus is to work with the commodity organisations to create much-needed jobs and grow agriculture not just in this district but also in the province.