



DairyMatters

Trust. Loyalty. Integrity.

Newsletter Volume 9, December 2009



FOREWORD

The year is rapidly drawing to a close and the time has come for the last DairyMatters of 2009. This year will be recorded in history as a very difficult one, thanks to the global economic recession which left no sector untouched.

A big word of thanks goes to everyone who gave their input during the past year to help DairyMatters find its feet; and especially for your recent feedback on the questionnaire. We received feedback from 51 producers and it was overwhelmingly positive.

In this edition we give you feedback on the questionnaires we received, we take a look at what the market is doing and focus on everything the internet can offer you. We would like to utilise the internet more efficiently in order to communicate with you and this is something to which we will pay more attention in the coming year. This edition also once again puts the spotlight on the top achievers within Clover with regards to the monthly benchmarking.

From my side I'd like to wish every one of you a very blessed Christmas time and I trust that 2010 will be an exceptionally beautiful year for you and your family.

Tobie de Villiers

General Manager Milk Procurement



Christmas message from the Chairman

It is with mixed emotions that we approach the final weeks of 2009. The past financial year was characterised by extremely challenging trading conditions, the global economic meltdown having touched us all. Clover not only came through this difficult period but did so in a way which enabled us to make the best of the prevailing situation.

The resilience of Clover is remarkable and keeps proving itself, but current events have emphasised the need for us to adapt to the changing economic environment. Unfortunately this resulted in the company having no option but to restructure and redesign its business model to ensure sustainability in what is now a very different world. Sadly we will be saying goodbye to many old and trusted friends. We wish them well and salute them for their contribution to Clover. As a company that truly cares, taking the necessary steps has been extremely emotional and difficult.

Rated fifth overall amongst South African brands in The Sunday Times Top Brands Survey (ahead of some real heavyweights), the Clover brand is the foundation for an exciting future. This bears testimony to the commitment of the entire Clover community from producers, staff, suppliers and customers – for which we offer our sincere thanks. In spite of immense challenges I am confident that we have the team and that they will meet all our aspirations. Be prepared for the ride of your life!

Here's wishing you a peaceful festive season and all the very best for 2010.

John Bredin

Chairman CIL



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Market review

It seems that the world is slowly but surely recovering from the impact of the recession. Although there is no predictability these days, it looks as though commodity prices are busy strengthening and there are even rumours of seasonal shortages in certain commodities in some overseas countries. It is however quite clear that market and price fluctuations are at the order of the day and experts in world dairy agree that they are here to stay.

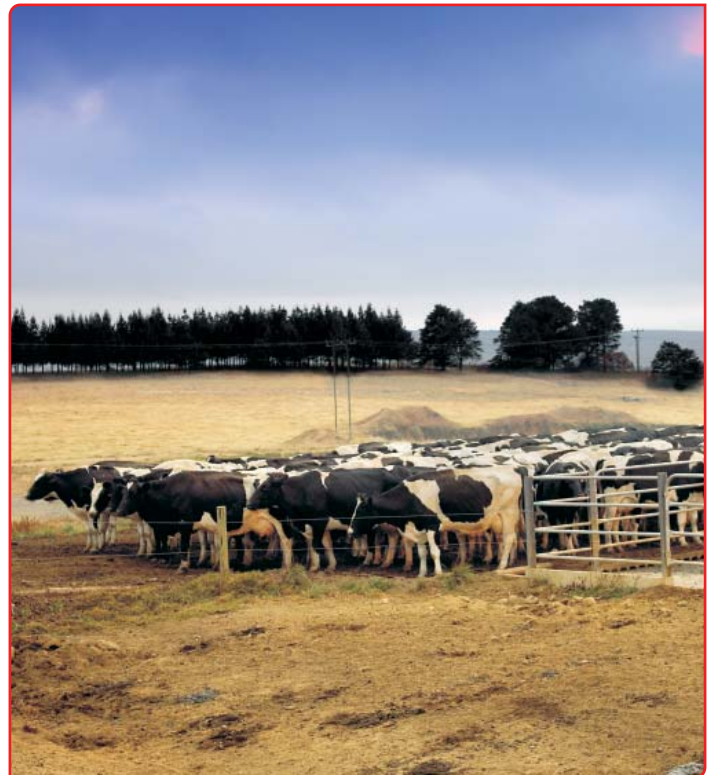
In South Africa the primary sector is relatively stable, with milk prices in general not following overseas trends at all. In general, input costs have also stayed in check and have even decreased, which puts the South African producer in a much better position than his overseas counterpart. The secondary industry is however still more at the mercy of price pressure, as consumers are very hesitant to spend and certain smaller buyers are offering their summer surpluses to the market at very low prices. In addition, lots of UHT-milk have been and are being imported at very low prices, which put further pressure on market prices.

Clover is currently employing an extremely focused rationalisation programme, which will give it the opportunity to be more competitive in the marketplace. The Clover brand recently outshone big names again when it was named the fifth most coveted brand in South Africa. In fact, Clover is the only dairy brand that features in this company. We are fully convinced that the combination of more affordable, revered brand name products will do wonders over the next few months and we look forward to the successes already evident on the horizon.

Thank you for your support and understanding over the past year. We realise that this has been an extremely hard year in many respects, but you trusted us to manage your business to the best of our ability and we greatly appreciate that. May the Christmas season be a joyful and peaceful time for you and your loved ones and may 2010 bring only the best for you.

Jacques Botha

Chief Financial Officer





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Top producers treated

Just like last year, the Top 5 producers and their spouses were treated to a weekend at Sun City. To make it to the Top 5 is no small feat and it is therefore a privilege to get to know these producers and their partners in an informal manner.

The weekend commenced when the largest contingency of the group travelled to Sun City by bus. It was an absolute joy to spend the first night at the Valley of the Waves in the company of the Campbells. At this stage, some of the English speaking ladies did not understand the meaning of 'bietjie lam'. After a hearty breakfast the next morning, the group headed to the Pilanesberg on a game drive, made unforgettable by a very capable guide and a wide range of game.

Huisgenoot Skouspel's 10th birthday celebration was the highlight of the weekend for many, but after a few hours of sitting on hard chairs 'bietjie lam' got a very literal meaning for a few of the English ladies!

The group departed as new friends on Sunday morning and it was agreed that they would do everything possible to meet up again next year and chat until the cows come home.



Our Top producers and their spouses. From left to right:

Row 1: Johan and Mirrie Havenga, Christie Smith and Mari-Anne Murphy.

Row 2: Erika Knobel, Rinie de Villiers, Ronelda Scheepers and Coreen Botha.

Row 3: Hendrik Knobel, Pierre Scheepers, Tobie de Villiers, Kirsty Turner, Viv Turner, Mike Murphy and Nigel Smith.



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Benchmarking of producers

The 10 producers listed below reached the highest average index values within Clover for the period 1 July to 31 September 2009. Congratulations with an outstanding performance.

July 2009	August 2009	September 2009
Smith GH (Estcourt)	Smith GH (Estcourt)	Sunnyside Farming Trust (Ixopo)
Sunnyside Farming Trust (Ixopo)	Kobus Hendriks Bestuurstrust (Heilbron)	Hauff PM (Ixopo)
Kobus Hendriks Bestuurstrust (Heilbron)	Sunnyside Farming Trust (Ixopo)	Smith GH (Estcourt)
Forde Inchgarth Dairies (Ixopo)	Hauff PM (Ixopo)	Rilu Farms (1) (Pty) Ltd (Port Elizabeth)
Rilu Farms (1) (Pty) Ltd (Port Elizabeth)	Oakleaf Business Trust (Port Elizabeth)	Nanaga 3 Farming Trust (Port Elizabeth)
Hauff PM (Ixopo)	BRH Ballantyne (Pty) Ltd (Port Elizabeth)	Balcairn (Pty) Ltd (Estcourt)
Manna Trust (Port Elizabeth)	Davies DL (Estcourt)	Clovelly Farming Trust (Ixopo)
Macston CC (Ixopo)	Carmel Boerdery (Port Elizabeth)	Hlogoma Farming Trust (Ixopo)
Davies DL (Estcourt)	Rilu Farms (1) (Pty) Ltd (Port Elizabeth)	Milkamoo Trust (Port Elizabeth)
Carmel Boerdery (Port Elizabeth)	Manna Trust (Port Elizabeth)	The Orpwood Milk Trust (Ixopo)

The following producers achieved the highest index values per region over the same period:

Region	July 2009	August 2009	September 2009
Boksburg	Battlefields (Pty) Ltd	Battlefields (Pty) Ltd	Battlefields (Pty) Ltd
Heilbron	Kobus Hendriks Bestuurstrust	Kobus Hendriks Bestuurstrust	Bonthuys Jan
Lichtenburg	Linde HJ	Linde HJ	De Bruyn JA
Wesselsbron	Rheeder HJ	Le Roux DJDT	Le Roux DJDT
Estcourt	Smith GH	Smith GH	Smith GH
Ixopo	Sunnyside Farming Trust	Sunnyside Farming Trust	Sunnyside Farming Trust
Port Elizabeth	Rilu Farms (1) (Pty) Ltd	Oakleaf Business Trust	Rilu Farms (1) (Pty) Ltd
Cape Town	Graaff DDV	Neethling CJ	Neethling CJ



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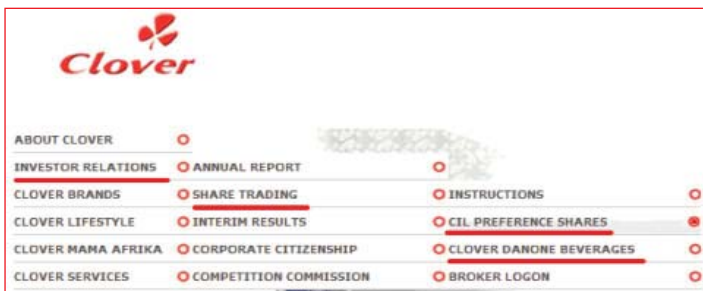
Webpage information

Where can you as a producer view your information on our website after registering as a web user?

In our previous edition of DairyMatters, we informed you about what's available to you as producer on the website. In this edition we focus on the trading of shares and delivery agreements to name a few.

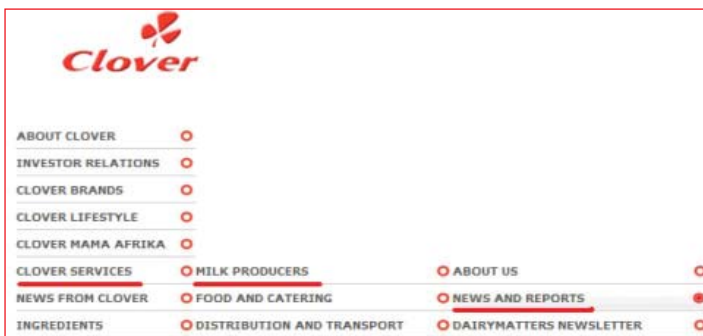
Please log onto www.clover.co.za

GENERAL INFORMATION:



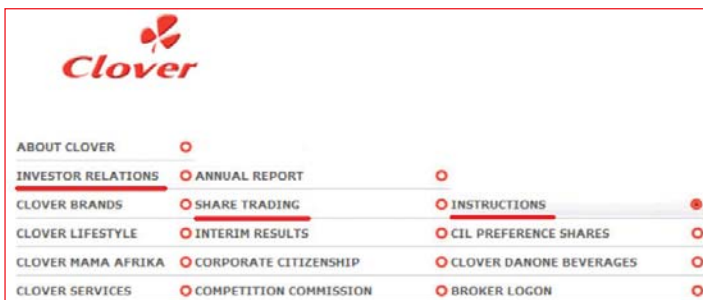
Trading of shares

Click on 'Investor Relations/Share Trading/CIL Preference Shares or Beverages'



Trading of Delivery Agreements and DairyMatters newsletter

Click on 'Clover Services/Milk Producers/News and Reports'



Contact details for brokers for share trading

Click on 'Investor Relations/Share Trading/Instructions'






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- INVESTOR RELATIONS
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- CLOVER LIFESTYLE
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- ABOUT US
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- DAIRYMATTERS NEWSLETTER
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- YOUR AGREEMENT
- CLOVER EXPORTS
- PRODUCTION REPORTS**
- PRODUCTION ADVICE

PRODUCER-SPECIFIC INFORMATION:

(must be registered as web-user)

Click on 'Clover Services/Milk Producers/Production Report'


Welcome to Milk Procurement Reports.

User/BP Number:

Password:

[Enter](#) | [Clear](#)

Key in BP no. and password here and click on 'Enter'



- Tests By Tank
- Tests By Type
- Milk By Tank
- Production Information
- Payment Information
- Producer Profile
- Daily Hits
- Daily Query Hits
- Monthly Query Hits
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- Logout

This report provides you with a table and graphs over a 12-month period in terms of delivery, allocations, contracts, butterfat, protein, bacterial, somatic and milk price

Please contact Brenda Bezuidenhout if you have any enquiries or need assistance.

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 082 496 6340 (C)





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DairyMatters feedback

As already mentioned in the foreword, 51 producers gave their feedback on the questionnaire which was sent out with the previous DairyMatters. These producers had the following to say:

- 100% of these respondents frequently read the DairyMatters
- 100% of the respondents indicated that they like the design and layout of the DairyMatters and that they find the DairyMatters reader-friendly and easily readable
- 98% of the respondents indicated that they benefit from reading the DairyMatters
- 98% of the respondents feel that the content is relevant and topical
- 80% of the respondents indicated that they would like to receive the DairyMatters bi-monthly
- The percentage respondents below indicated that they would like to see more of the following in the DairyMatters:
 - More information about market trends – 98%
 - More field-specific information – 86%
 - More technical articles – 69%
 - More information about benchmarking – 63%

In addition, we received many comments and recommendations which will no doubt help us to improve DairyMatters on an ongoing basis. It is clear that good market information is of cardinal importance and that producers have the need to really become part of the Clover family. Producers also want to learn from the producers who make it to the top during the benchmarking process.

Thank you once again to everyone who took a few minutes to complete the questionnaire and sent it back to us. We deeply appreciate it!

