

WHAT IS SAMILCO?

Samilco was established in March 1999 and was registered as a primary agricultural cooperative run by its members. The organisation is primarily a dairy producers' organisation committed to supporting milk producers in the Western and Eastern Cape. Samilco represents members' interests to a number of established as well as new South African milk buyers. The aim of the organisation is to help create a competitive and profitable market environment for milk producers on an ongoing basis in order to promote members' continued existence.

BACKGROUND

The local dairy industry remains one of the most challenging sectors in the South African agricultural industry. Continuous exposure to various macroeconomic and environmental factors has an increasing influence on the production and quality of dairy products as well as the profitability of this industry.

The impact of these variables is reflected in the complex composition of the respective milk buyers' milk price structures. The diversity and complexity of these price structures often lead to uncertainty amongst milk producers, as well as distrust in the lack of transparency involved in the determination of milk prices. The lack of a standardised milk price structure and best-practice norms presents producers with a challenge. They often do not have the necessary resources at their disposal to be able to compare the complicated price structures of different institutions and to get involved in demanding price negotiations with buyers.

WHAT DOES SAMILCO DO?

Samilco fills the role of a bonafide representative of its members (milk producers) that enters into price negotiations and identifies potential alternative milk buyers for its members. The milk committees, which represent Samilco during negotiations with the various milk buyers, are also facilitated by this agricultural cooperative. Due to the fact that the milk price plays a primary role in the profitability and sustainability of the local dairy industry, Samilco is continuously in conversation with established as well as new local milk buyers in view of negotiating market-related milk prices.

Samilco has access to comprehensive information concerning the compilation of the price structures and milk supply agreements of the respective milk buyers. Members are provided with relevant information on a regular basis, thereby enabling them to draw accurate comparisons and make informed decisions. Based on the cooperative's statute, in case of legal disputes, Samilco has a mandate to act as a representative of its members and take legal advice.

Samilco is an advocate of well-defined milk supply agreements aimed at preventing possible disputes and much more. The cooperative therefore drafts new agreements and also revises existing agreements with the support of its legal representatives.



TECHNICAL ASSISTANCE

Samilco's representatives regularly liaise with members formally as well as informally to monitor each other's milk test results and milk statements and to see to it that these comply with their particular milk supply agreements.

Samilco's technical division also takes milk samples which are tested at accredited laboratories. If milk test results should show any deviations, the technical advisor will make recommendations with regard to possible interventions aimed at rectifying these deviations as soon as possible. Samilco aids members with regard to evaluating daily variations in quality results using a model specifically developed for this purpose.



SAMELKO
MILCO

YOUR VOICE IN THE
DAIRY INDUSTRY
WWW.SAMELKO.CO.ZA

400

Samilco members produce 400 million litres of milk every year

12%

That equals 12% of South Africa's total milk production

195

Samilco members, representing the Western and Eastern Cape

14

We work with 14 prominent milk buyers



STRUCTURE

Samilco is managed and administered by a board of directors which represents the organisation's entire area of operation. All directors are primary milk producers and are appointed for a term of three years.

The organisation's activities are financed by means of a monthly levy of 0.2% of members' nett income from milk sales. Samilco's administrative office is situated in Durbanville.

The full-time staff consists of a Chief Executive Officer, office manager and a technical manager. The latter is responsible for interacting with members, technical support and marketing.

CONTACTS

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SAMELKO MILCO

Committed to supporting milk producers in the Western and Eastern Cape

