

Yoghurt as it should be: Finding a new way to profit from small-scale dairy farming

Finding new ways of doing things has always been a feature of South African farmers, especially in tough times. Faced with the steady decline in profitable small-scale dairy farming has led to a new way of dealing with dairy on Verlorenkloof Farm in Mpumalanga where the milk produced by its small herd of cows is now reworked into hand-strained artisanal yoghurt. By all accounts this shift from the conventional to a new way of doing business is paying off, writes Jennie Fourie.

The latest production, feed cost and producer price statistics released by the Milk Producers' Organisation (MPO) show that lower producer prices and an increase in feed prices due to the drought have lowered the milk:feed ratio to less than 1:1, far below the long-term average of 1,3:1. These figures are bad news for small dairy farmers, in particular. Says Eric Johnson, owner of Verlorenkloof Estate: "The number of dairy farmers in the country fell from about 25 000 when we started out in 1983 to about 1 600 today, who now produce the most economical milk in the world, mainly from large herds on large, efficient and intensive farms."

A year ago Verlorenkloof Farm started looking into the production of artisanal yoghurt that offers consumers a product that is both healthy and tasty. Sold under the brand "Yoghurt as it should be", this dairy product consists of only two elements: whole milk and probiotic cultures and is produced in a traditional, non-mechanised way. The yoghurt is delivered weekly to retailers in and around Gauteng and Mpumalanga. It has shown a steady growth against fierce competition from established brands. It is sold at a premium price but seems to find favour among health-conscious, high-end



Verlorenkloof Farm's 'Yoghurt as it should be' is made by hand by yoghurt makers Tom Mthombeni (left) and Mapeo Letsalo.

consumers.

This move towards yoghurt production has not been the first about-turn for Verlorenkloof Farm. "The drought of the early 1990s led to a neighbour putting his farm in the market to make his livelihood elsewhere," says Johnson. "The neighbouring farm had river frontage and wetlands, Afro-Montane Forest kloofs, spectacular quartzite cliff faces and unspoilt montane grasslands above the escarpment edge, but no arable land to speak of. We closed our eyes to the uncertainties of the political transformation that was underway in the country and, in a huge leap of faith,

bought the farm."

Within two months they had laid out 40 km of hiking trails, restored two houses as hiking huts, built a stone overnight hut on the upper farm and launched the first commercial hiking trail on private land in the province. "Sharing the land with visitors who hiked the trails opened our eyes to more possibilities. It seemed that many people had the same dream that had brought our family to a weekend farm in the valley a generation before. Verlorenkloof was conceived as a collection of stone and thatch family cottages, owned on a time share basis, with trout fishing and a whole mountain to explore on foot, horseback or mountain bike. We ended up building the cottages, selling the time share ourselves and managing the estate as a large part of our present business. Verlorenkloof has become a highly regarded resort and as beloved by many city families as the original farm had been by our family."

The owners kept the dairy going on a small scale to retain the genetics, the skills and as an attraction for visitors. "It was clear that we could never enter the race again to build a large dairy – our land would not allow it. We knew that we would have to find a niche market product that added value to our milk and would make a small pasture based dairy worthwhile."

Freshly made yoghurt is quite thin and is conventionally thickened by adding starches, stabilisers, emulsifiers and milks solids.

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Having started out with fully registered Holstein stock in the 1990s, it soon became clear that the pasture on Verlorenkloof Farm requires a cow that is shorter and stronger, able to walk, graze and to produce high solids milk off pasture while still maintaining enough reserves to conceive and produce a calf.



Maintaining the cold chain of the yoghurt is of paramount importance. Deliveries are done weekly with a converted utility vehicle.

As a product with live cultures, it is also given a longer shelf life by the addition of preservatives and more marketing appeal by the addition of sugary fruit flavours.

The alternative practised at Verlorenkloof Farm is to keep it natural, hand-straining the yoghurt in a muslin bag to concentrate the flavour and the solids and to improve the consistency without using thickeners. Attaining shelf life without preservatives is an exacting science, actually a real art. Sticking to plain yoghurt without flavours is simply a more difficult marketing choice. With the milk being produced off pasture, the yoghurt has lower acidity and higher levels of beneficial

fatty acids.

In the United States this type of yoghurt is known as Greek Yoghurt, and has proven to be very popular in a mature market where every possible type and flavour of yoghurt is available.

According to an article published in the *New York Times*, Greek yoghurt has taken the dairy-consumer world by storm, from about 2.5 per cent of yogurt sales in 2008 to nearly 36 per cent in 2015. Most of the production is seated in the New York state dairy belt. From 2011 to 2014 the job count at New York dairy manufacturers rose by 1 500 to 9 570, according to data from the US state

Department of Labour. The article states that although Greek Yoghurt by itself isn't enough to totally lift New York's dairy industry out of the doldrums, its milk-intensive production process has given farmers and milk producers a needed cushion against the vagaries of supply and demand. In the key period between 2008 and 2013, milk used to make yoghurt in New York went from 158 million pounds (more than 70 000 metric tonnes) to 1.2 billion pounds (almost 550 000 metric tonnes), a seven-fold increase. "For the state, Greek yogurt is more than just a success story. It's a win-win tale of economic redemption, the industrial phoenix risen from the ashes of closed-down factories in small- and medium-sized towns and cities across the state."

The US example shows that a new and thriving industry can be created to meet the needs of a changing economic environment. Another strategy to survive tough economic and climatic times is to diversify farming activities and in doing so, create more than one stream of income.

To sum up, Johnson says: "We are still learning the lessons that a new business inevitably brings, in spite of all the careful calculations. Looking back, one is quietly thankful that all the obstacles were not apparent when you set out, otherwise you may not have set out at all. But there is also the optimism, the excitement at each breakthrough moment, and the sense of a great future and opportunity that a viable product holds for a farm, its people and the surrounding community. To this end, the kindly help and support from agencies in the industry has been invaluable." 

smaller towns where most of our Agri SA members work and live every day.

There are indeed success stories ...

The eThekweni Municipality's Sustaining the Waste Water Education Programme seeks to create a more efficient sewerage system and eradicate blockages by educating people about the link between good sanitation and health. It has helped reduce vandalism, strange objects in the sewerage system and

sewerage blockage considerably. In Cape Town, the Khayelitsha Pressure Management Project includes the largest advanced pressure control installation in the world and has been recognised as a World's Best Practice by numerous respected international experts. The project, which cost R2,5 million to construct, is already saving more than R18 million per year through reduced water leakage, and saves approximately 10% of the water to be

supplied by the new Berg River Scheme (to cost R2 billion). This result was achieved by quite simple means: by installing a time-modulated pressure control system (i.e. the pressure varies over time depending on actual water use) the pressure is reduced at night time and mid-afternoon, when the demand is low, and thus cuts losses through leaking pipes and open

household connections (running and leaking taps, for example). Through these means, average daily flow was reduced from 2 500 m³/h to 1 500 m³/h and night flow from 1 600 m³/hr to 750 m³/h.

I know both these examples are from big metros, but the principle remains: if you understand your sewerage, waste and freshwater system and you are willing to invest in the environment, the return on investment might surprise you. Some of you might make it to the hot chairs in local municipality councils, a few might have a direct influence on what happens there, but for most of us, let's vote and hope for good representation to make a real difference, especially in saving water and protecting our scarce fresh-water resources.

References:

Middleton, J., Goldblatt, M., Jakoet, J., & Palmer, I. 2011. Environmental Management and Local Government. PDG Occasional Paper No 1. 



Testing leachate from a landfill.