

Historical Background of the Dairy Industry

Organised dairying in the country started in the late 1930's. It was originally centred on a private dairy in Manzini buying cream from a network of depots collecting milk from smallholder beef herds along the Manzini-Siteki road mainly. Progress was steady and by 1960 around 5.7 million litres of liquid milk equivalents (LME's) were being collected from some 4,300 smallholder farmers and a few larger farms. The butter factory in Manzini closed down in 1970 due to various reasons. Towards the end of the 1960's, Swaziland Dairies, a private dairy in Mbabane started marketing pasteurized milk purchased locally and from the Republic of South Africa (RSA). Imported raw milk from RSA accounted for 75% of total milk processed by the plant and the rest was supplied by local Title Deed farmers. For instance in 1972 the company imported about 1.3 million litres of milk from the Republic of South Africa to top up about half a million litres produced locally by Title Deed Farmers. The company could not collect milk from the Lowveld since that milk was produced for cream production only.

In 1968 the Dairy Act no.28 of 1968 was proclaimed and soon afterwards the Swaziland Dairy Board was established in 1971 to develop and regulate the dairy industry. By the early 1970's the Board launched a project to change cream production to milk production which was collected and delivered to the ailing dairy plant in Mbabane. The change was successful and the milk was of fair quality for processing purposes. However, in 1974 Swaziland Dairies was liquidated for various reasons and the Swaziland Dairy Board quickly jumped to the rescue of the dairy industry by purchasing it so that milk producers would continue to have a market where they would sell their milk. Thus the Board incidentally became involved in commercial operations and continued to collect milk from the Lowveld in the seventies and early eighties until January 1984 when the collection was discontinued due to economic reasons.

The involvement of the Swaziland Dairy Board culminated in the establishment of a new central dairy plant at Matsapha which dominated the formal market until 1999 when the facility was leased to Parmalat Swaziland. At the time of hand over to Parmalat the plant was handling some 10.5 million litres of liquid milk equivalent per annum out of which 60% was imported mainly from the Republic of South Africa.