



## ***Transformation Co-ordination and Facilitation in the South African Dairy Industry***

(PRJ-0029-2013)

***Milk South Africa***

***Quarter 2 2013*** (April 2013 till June 2013)

### **Project goals**

#### **Goal 1 - Implementation of sustainable commercialization dairy programme**

##### ***Achievements***

During the period under review farms of the eight beneficiaries in Free State were visited and the following achieved:

1. Three farmers have been supplied with cows- 14, 16 and 20 respectively.
2. State Vet has been requested to and checked animals for pregnancy, age and took blood samples to check for diseases.
3. Our experienced advisor had checked the animals for value for money and assessed some farms for readiness to receive animals.
4. Fodder flow situation has been assessed on all the eight farms. Fodder situation was sufficient in general and some farmers had already planted winter pasture while others were still making preparations to plant winter pasture.
5. Meetings were held with the Development Bank of Southern Africa regarding to finalize project budget and the contract under Jobs Fund Programme. The contract has been finalized.
6. A meeting was also held with the milk buyer and Free State Agriculture. The milk buyer gave the background to Qwawa farmers while Free State Agriculture talked about veterinary services, the construction of milking parlours and to the supply of milking equipment and generators. The construction of milking parlours was complete and milking parlor certificates had been issued. However, in certain instances milking equipment was not yet operational and farmers were not trained on the maintenance of milking equipment.
7. The Qwaqwa dairy project started with 39 farmers although there were only 12 farmers at the time of visiting supplying Nestle with milk. It was reported that the following strategic partners were involved:-

- a) Local department of agriculture
- b) Milk shed –EHP
- c) Water- DOA and Nestle
- d) Electricity- Eskom supplied electricity to some farms.
- e) Milk cooling tank –Nestle also maintains
- f) Milk collection-Nestle
8. A meeting was also held with the Land Bank regarding possible loans to augment the support of Milk SA so that enterprises’ chances of success are enhanced.

***No Non-achievements / underperformance has been reported***

## Goal 2 - Transformation Strategic Plan

### ***Achievements***

TRANSFORMATON STRATEGIC PLAN (Develop a strategic plan that is shared by all stakeholders)

One workshop was conducted during the period under review in Pretoria. The draft report is being finalized and will be ready for public consumption by August 2013. The following are some of the salient points in the draft report as reported in the January- March 2013 quarterly report.

Rationale/ Motivation for the Smallholder Dairy Development Strategy

1. A common approach for development is essential.
2. An objective approach to the empowerment of previously disadvantaged individuals is critical.
3. To promote market access based on appropriate business model and technology.
4. Dairy has a potential to contribute to rural economic development, food security, nutrition and creation of employment opportunities.
5. To facilitate the creation of a conducive environment for farmers to succeed.
6. Strategy is needed in order to secure private and public investment in dairy development.
7. Poverty is high in rural areas and dairy can contribute to poverty alleviation.
8. Protective means for industry against dumping.
9. Internationally demand for dairy is growing faster than supply and there are countries that would like want to import milk products from South Africa.

Mission

Our role is to contribute to national food security and nutrition by producing and supplying quality dairy products at competitive prices.

Vision

We aim to be competitive, sustainable and successful commercial dairy farmers / entrepreneurs.

Values

We believe that our mission will be pursued effectively by living according to our values below:

- â€¢ Animal welfare: We regard cows as our mine that provides us with our livelihood. We therefore treat and handle them in a caring and sensitive manner.
- â€¢ Integrity: We employ ethical standards and stand by our promise in everything that we do.
- â€¢ Respect for others: We treat our team members, customers, partners and suppliers with mutual respect and sensitivity.
- â€¢ Professionalism: We are committed to all standards of business and laws and regulations related especially to the dairy industry.
- â€¢ Sustainability of natural resources: Environment is the cornerstone of our lives. We work with the environment in a caring and sensitive manner to conserve it for the future generations. We are opposed to profit making at the expense of our environment.
- â€¢ Teamwork /spirit: We work together and promote and support diversity among our members and committed to one another for a common goal.
- â€¢ Responsibility and accountability: We take individual and team responsibilities and deliver on our commitments. We take responsibility for our performance in all our decisions and actions.

Strategic Objectives

1. Develop human capital among smallholder dairy entrepreneurs.
2. Increase market access for smallholder dairy entrepreneurs.
3. Graduate a significant number from smallholder dairy farmers to successful commercial dairy entrepreneurs.
4. Promote recognition of small dairy as a significant contributor to rural economy, food security, and nutrition and employment opportunities.
5. Establish and maintain mutually beneficial business partnerships with relevant stakeholders.
6. Facilitate smallholder credit access for dairy development.
7. Achieve a significant market access by 2018.

The following were highlighted as the priorities in a ranking order:

Priority: Issue /

1. 1. 1 Approach Rural Development and Land Reform regarding land issue.
1. 2 Livestock should be branded with the most up to date technology.
1. 3 Ensure regulatory framework is effective and efficient.
  
2. 2. 1 Asses long term sustainability of existing enterprises.
2. 2 Establish structures at all levels to drive dairy development.
  
3. 3.1 Establish an appropriate knowledge management and information network.
  
4. 4.1 Assessment of constraints that are hampering performance of current dairy enterprises.
- 4.2 Conduct a feasibility of value adding activities.
- 4.3 Establish permanent working relationship with Milk SA.
  
5. 5.1 Assess constraints that are hampering performance of current dairy enterprises.
  
6. 6.1 Strengthen smallholder focused dairy development research capacities in the provinces.

### ***No Non-achievements / underperformance has been reported***

#### **Goal 3 - Emerging dairy entrepreneur database**

##### ***Achievements***

EMERGING DAIRY ENTREPRENEUR DATABASE (Ensure availability of reliable data on aspirant dairy entrepreneurs)

Questionnaires had been sent out to the provinces to collect data on new black entrants into the industry in order to update the existing database. As a result a few responses have been received as shown below. This is the outcome of several follow-up calls and emails. Extra efforts will be made to secure outstanding filled in questionnaires.

Additional data was received as follows:

Province: Number of farmers:

Gauteng 6

Limpopo 18

### ***No Non-achievements / underperformance has been reported***

#### **Goal 4 - Competency development**

##### ***Achievements***

COMPETENCY DEVELOPMENT (Develop business competency of aspirant dairy entrepreneurs)

There work will be done during August September 2013 when farmers will be relatively free. Emphasis will be on record keeping and business plans.

##### ***Non-achievements / underperformance***

No work shop took place due to unavailability of farmers and concentration on the DBSA. Training session will take place during August-September before the next ploughing season.

##### ***Reasons for non-achievements / underperformance***

Unavailability of farmers and concentration on the DBSA.

***Planned remedies for non-achievements / underperformance***

Training session will take place during August-September before the next ploughing season.

## **Goal 5 - Future Farm Managers**

### ***Achievements***

FUTURE FARM MANAGERS (Put young farm managers on farms)

The matter will be revisited during August when the facilitator will be back from overseas.

### ***Non-achievements / underperformance***

No youth has been placed on the programme due to uncertainty regarding budget provision. The matter will be revisited in August to finalize the matter and depending on the placement places youth will be paced on farms / estates during the 3rd and 4th quarters of 2013.

### ***Reasons for non-achievements / underperformance***

Due to uncertainty regarding budget provision.

### ***Planned remedies for non-achievements / underperformance***

The matter will be revisited in August to finalize the matter and depending on the placement places youth will be paced on farms / estates during the 3rd and 4th quarters of 2013.

## **Goal 6 - Transformation Annual Conference**

### ***Achievements***

TRANSFORMATION ANNUAL FORUM (Establish a shared approach to transformation)

This is being planned for the last quarter of 2013. At that time transformation strategic plan will be in place and will be the basis of the planned transformation conference.

***No Non-achievements / underperformance has been reported***

# Income and expenditure statement

Income and expenditure statement	<a href="#">APRIL-JUNE 2013 QUARTERLY REPORT ANNEXURE.docx</a>
Unnecessary spending during period	No

## Popular Report

No file has been uploaded

## Additional documentation

No file has been uploaded

## Statement

Levy funds were applied only for the purposes stated in the contract	No
Levy funds were applied in an appropriate and accountable manner	No
Sufficient management and internal control systems were in place to adequately control the project and accurately account for the project expenditure	No
The information provided in the report is correct	No