



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

(PRJ-0029-2013)

***Milk South Africa***

***Quarter 3 2013*** (July 2013 till September 2013)

### **Project goals**

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

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

During the period under review one general meeting was held and two visits per farm were made to each of the eight beneficiaries in Free State and the following have been achieved:

1. Farm management record sheets and its importance were discussed and farmers explained how to complete it. Farmers were also informed that record keeping would be a condition to get private veterinary services.
2. A local private vet has been given a sheet indicating a list of veterinary services to be supplied to beneficiary farmers and further requested to provide a quotation for veterinary services and he did.
3. Our independent, experienced advisor had assessed fodder situation on two farms to determine the number of heifers that could be supplied. The report is being considered.
4. Fodder flow situation has been assessed on three farms where cows/ heifers have already been supplied. The objective is to assist each farmer with a fodder flow plan for the whole year.
5. Two meetings were held with the milk buyer in order to plan future delivery of cows, ensuring counter performance by farmers and getting feedback on the performance of farmers supplied with cows.
6. Eskom quotations for 6 farmers have been revised and concerns regarding unclear information were addressed.
7. Farmers have been informed that they would have to pay a deposit of R10 500 each and open an account in their names before electricity could be connected. From the date of depositing the connection fee it will take about 120 days to complete the job.
8. Old Mutual has a fund called Masisizane Fund, whose purpose is to fund business where the majority of owners are women. An Old Mutual official has been taken to the farmers so that those who needed financial assistance could make arrangements themselves. Currently the officer of Old Mutual is busy compiling a profile of each farmer/farm.
9. A follow-up meeting was held with Thabo Mofutsanaya District Municipality to discuss the progress regarding rural electrification programme as they had already requested the list of farmers Milk SA was assisting. It has been reported that the matter was discussed with the Department of Mineral and Energy and Eskom. An undertaking was made to visit all the farmers that Milk SA had identified as part of the Sustainable Commercialization Project.
10. Farmers have been advised to obtain quotations for heifers and given the names of potential sellers of heifers.

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

## Goal 2 - Transformation Strategic Plan

### **Achievements**

The draft report submitted during the previous quarter is currently being finalized by incorporating inputs from other members of the Board. Following are some of the salient points in the draft 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 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:

- Animal welfare: We regard cows as our mind that provides us with our livelihood. We therefore treat and handle them in a caring and sensitive manner.
- Integrity: We employ ethical standards and stand by our promise in everything that we do.
- Respect for others: We treat our team members, customers, partners and suppliers with mutual respect and sensitivity.
- Professionalism: We are committed to all standards of business and laws and regulations related especially to the dairy industry.
- 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.
- Teamwork/ spirit: We work together and promote and

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

The Transformation Forum could not be held because most of provincial personnel involved in the workshops have been changed to other responsibilities. What was expected from them could not be supplied. Efforts are being made to finalize the draft strategy by engaging and involving other directors and other stakeholder who could add value.

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

N/A

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

N/A

support diversity among our members and committed to one another for a common goal.

- 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 priority 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 Assess 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 provinces.

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

### ***Achievements***

The goal of this project is to enhance the availability of more reliable data on smallholder dairy entrepreneurs. However, the situation remains the same as reported in the previous quarter. One

project was identified in Gauteng and a questionnaire was given to the project manager to provide data.

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

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

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

Two sessions have been held with farmers regarding record keeping. Draft business plans for 8 farmers have been done and work will be completed before year end. The target has been changed because it has been suggested that the focus should be limited and Free State which was regarded as a pilot project.

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

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

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

There was no certainty about the matter till very late.

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

Efforts are being made to see if young future farmers could be identified and assisted.

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

N/A

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

N/A

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

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

This has been deferred to 2014.

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

## **Income and expenditure statement**

Unnecessary spending during period	No
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## Popular Report

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## Additional documentation

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## 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	Yes
The information provided in the report is correct	Yes