



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

(PRJ-0029-2013)

Milk South Africa

Quarter 4 2013 (October 2013 till December 2013)

Project goals

Goal 1 - Implementation of sustainable commercialization dairy programme

Achievements

IMPLEMENTATION OF SUSTAINABLE COMMERCIALIZATION DAIRY PROGRAMME
(Effective and efficient implementation of the utilization of surplus funds)

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

1. Development Bank of Southern Africa (DBSA):

Transfer of funds had been delayed because the legal division of DBSA wanted long term contracts between farmers and the buyers of milk. The matter had to be explained that the standard in the industry is to review the supply contract on an annual basis since such a contract is based on the proof of resources the farmer has regarding the number of cows, fodder flow planning situation and compliance certificates, amongst other things. Nonetheless, money has been received eventually but only in January 2014. During the period under review DBSA also organised a learning conference with grantees in order to improve delivery of the projective objectives.

2. Milk parlours and milking machines

Ms M. Hlka - incomplete and feeding troughs not yet constructed

Mr L. Mokoetele - working

Ms L. Moloi - incomplete, no feeding troughs and not yet tested

Mr P. Motlokoa - incomplete, no feeding troughs and not yet tested

Mr M. Makubo - working

Anton Gilfillan of Central Milk, the supplier of milking machines, reported that training was not part of his contract and had already spent R100 000 on repairing generators which were supplied as standby equipment. It was further reported farmers were not trained and no study was done while similar machines were working well in Swaziland, Mozambique and Malawi. There was no project leader and all funding was exhausted.

Resolved:

1. A person was needed to help farmers with milking machines on a contract basis.
2. Central Milk would keep spares at Nestle.
3. Central Milk would send more information to MGR re extra cost needed to train farmers on handling milking machines and mastitis and other outstanding matters.

3. Eskom

Electricity reticulation to the farms has been delayed because Eskom decided to review the quotations in 2014 because they said the validity period had expired. New quotations would be received in January 2014 after which Milk SA will pay connection fees dependent on the farmers readiness to pay a deposit of R10 500.00 per account as security.

4. Old Mutual

During the period under review visits were made with a representative of Old Mutual - Masisizane Fund to the farmers who needed funding their operations. Information was collected from farmers and also supplied by Milk SA. The following farmers are involved:

1. Mr Jan Zim
2. Mr L. Mokoete
3. Ms L. Moloji

Milk SA is only as a facilitator in this matter. The contract will be between the farmer and Old Mutual.

5. Fodder Flow Plan

Farmers have implemented the fodder flow plan as advised by the mentor appointed by Free State Agriculture. The plan was initially discussed with them and made it clear to the farmers that without a fodder flow plan and commitment to plant maize, heifers would not be delivered. Milk SA communicated with Free State Agriculture that those mentors Free State Agriculture appointed were not consultants of Milk SA and therefore anything they wanted from Milk SA should come via the department.

6. Heifer supply

Up to date only three farmers namely, Messrs Makoele (16), Makubo (14) and Zim (20) have been supplied with heifers. The delay is due to the following:

1. Scarcity of heifers.
2. Difficulties experience by farmers in getting potential suppliers and obtaining quotations.
3. Insufficient fodder flow on the farms.
7. Farm management record sheets. No change from the previous report.
8. Veterinary Services. The programme will be started with during January/February 2013.
9. Fodder flow assessment. Free State Agriculture has written reports on fodder planning for Mr Makubo, Mr Makoele and Mr Jan Zim. The report is currently being studied by the Work Group and our independent, experienced advisor.
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

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

The report submitted during second and third quarters will be discussed by the Chair and the Work Group to determine any further improvements before bringing it to the full board. At the same time it is being discussed with DAFF to secure their support both financially and politically.

Non-achievements / underperformance

As reported during the third quarter, the workshop with provinces forum could not be held because most provincial personnel involved in the workshops have been changed due to other responsibilities. The document is now being discussed with DAFF.

Reasons for non-achievements / underperformance

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Planned remedies for non-achievements / underperformance

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Goal 3 - Emerging dairy entrepreneur database

Achievements

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

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 during the third quarter.

One project was added to the list of Gauteng emerging dairy farmer database.

No Non-achievements / underperformance has been reported

Goal 4 - Competency development

Achievements

COMPETENCY DEVELOPMENT (Develop business competency of aspirant dairy entrepreneurs)

During the period under review not much progress has been made due to a lack of technical information awaited from the consultant who did some work on the QWAQWA farmers and information from Free State Agriculture which delivered only in December.

Non-achievements / underperformance

Business plans could not be finalized pending technical inputs from the consultants who did a study for QWAQWA farmers. The consultants could be seen during January/February 2014 to provide information needed. Information from Free State Agriculture regarding fodder flow planning is being studied before using it.

Reasons for non-achievements / underperformance

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Planned remedies for non-achievements / underperformance

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Goal 5 - Future Farm Managers

Achievements

Non-achievements /

FUTURE FARM MANAGERS (Put young farm managers on farms)

There was no certainty about the matter till very late.

underperformance

No students could be identified during the period under review.

Reasons for non-achievements / underperformance

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Planned remedies for non-achievements / underperformance

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Goal 6 - Transformation Annual Conference

Achievements

TRANSFORMATIN ANNUAL FORUM (Establish a shared approach to transformation)

This has been deferred to 2014.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	No file has been uploaded
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

Yes