



TRANSFORMATION COORDINATION AND FACILITATION

(PRJ-0054-2014)

Godfrey Rathogwa

Quarter 3 2014 (July 2014 till September 2014)

Project goals

Goal 1 - Implementation of sustainable commercialization dairy programme

Achievements *Effective and efficient implementation of the utilization of surplus funds*

This report covers activities performed during July-September 2014. Specific areas of focus are The Sustainable Commercialization Project with regard to the Development Bank of Southern Africa (DBSA)/ Jobs Fund, private veterinary services, progress by Eskom, pasture establishment, milking machines, heifer supply; transformation strategic plan; emerging dairy entrepreneur data, emerging farmer competency development and general transformation liaison.

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

Development Bank of Southern Africa (DBSA)/ Jobs Fund

July-September 2014 report has been submitted and acknowledgement received. There was a concern from Jobs Fund that cash flow online was not balancing and reconciliation statement as supplied by PWC was submitted to make the picture clearer and complete.

A disbursement request for R2 448 736 based on the estimated future expenses has been submitted against the disbursement schedule of R1 434 792.

Individual farmer performance in terms of milk deliveries and quality is as follows shown below, Annexure A.

The results are of six farmers who have received cows between January 2013 and August 2014. Reporting per individual farmer starts only after the farmer has been supplied with cows. Two of the farmers in the piloting area have not yet received heifers but it is believed that they will receive them before the end of the current quarter.

Performance against other contractual targets is shown at the end of the report as Annexure B. This includes number of jobs, cows delivered, farms electrified and other things.

National Treasury held a learning session with grantees. At this forum challenges which were being encountered were shared by various grantees. Furthermore, the compilation of quarterly reports and the filling of application forms were shown. It was emphasised that Jobs Fund funding should create a systematic impact in terms of sustainability of projects and achievement of the funds primary goal.

1.2 Private veterinary services

A private veterinarian was contacted telephonically and agreed that he would do the job. After verbal agreement email indicating what was expected of him was sent in order for him to provide a quotation for his services. However, despite follow-up calls to him and his office, no formal

quotation has been received. Efforts are however being made to contact other veterinarians who could be interested in the work.

1.3 Eskom

Farmer Progress

Ms Maria Hika Transformer installed. Wiring still outstanding and buyer was arranging soft loans for wiring

Mr Lekhotla Makoele Some poles constructed but not completed.

Ms Let Moloji Two poles still outstanding to be entrenched due to rocky underground.

Mr Phori Mtllokoa Transformer installed. Wiring still outstanding and buyer was arranging soft loans for wiring.

Mr Alfred Mnguni Some poles constructed

Jan Zim Transformer installed. Wiring still outstanding and buyer was arranging soft loans for wiring

1.4 Pasture establishment

An invoice to the amount of R3 136 for seven farmers has been received and submitted to admin for payment. Soil sample results will however be obtained as soon as payment will have been made to ARC. The results will then be taken to fertilizer experts for a fertilization programme recommendation dependent on the advice from Mr Botha and Dr Theron regarding pasture type.

1.5 Milking machines

DeLaval have agreed that service level agreement will be entered into between MilkSA and DeLaval headquarters but arrangements regarding actual service would be provided by DeLaval's agents in each area. The matter is being finalized with headquarters. Spares will be kept at the buyer but maintenance cost for the first year is not part of the upgrading expenditure.

1.6 Old Mutual

Two projects are being considered, each for North West and Eastern Cape respectively.

1.7 Heifer supplies

As reported in the previous report, only two ladies, Ms M. Hika and Ms Letta Moloji have not yet been supplied with cows. This was due to the fact that they preferred Jersey and Ayrshire breeds but have since agreed to take whatever is available. Our livestock broker, Mr. C. Prince reported that he was experiencing difficulties securing heifers. He indicated that perhaps chances to secure them would improve if it did not rain soon.

1.8 Black dairy enterprises data

A meeting has been arranged with the NAMC and DAFF to discuss the matter further with a view to understand their needs and intended use of such data. Furthermore, also to indicate to them that in terms of the regulations certain information about directly affected groups cannot be made public.

1.9. DSA report on farm assessment

The report has been distributed to the buyer and priorities will be identified and implemented accordingly.

1.10. Farmer Training

During the period under review two sessions of training totalling six days were held. The first session was attended by six farmers while the second one was attended by three farmers. The focus was on business mission, vision, strategic objective, milestones towards set objectives, record keeping, business planning in general, and feeding of animals. Attendance during the second session was poor because some farmers were attending AFASA AGM in Bloemfontein. One session is planned to take place before the end of the year although it will be difficult with the ploughing and planting season.

No Non-achievements / underperformance has been reported

Goal 2 - Transformation strategic plan

Achievements *Develop a strategic plan that is shared by all stakeholders*

The matter has been discussed with the NAMC and also with the person responsible for implementing Agri BBEE codes at DAFF but there was no decision on the draft strategy as the person responsible was not at the meeting. The message given to the dairy industry was that compliance with the Agri BBEE codes was going to be checked and non-compliance could result in denial of statutory levies in the future.

No Non-achievements / underperformance has been reported

Goal 3 - Emerging dairy entrepreneur database

Achievements *Ensure availability of reliable data on aspirant dairy entrepreneurs*

During the period under review HODs in the provinces were requested to assist with data regarding black dairy enterprises in their respective provinces. Of the nine provinces only one responded and the rest did not acknowledge receipt of the email. Efforts are being made to receive whatever is available. In the meantime a draft data governance charter has been developed and is still attended to by the Internal Management Committee on Sustainable Commercialization Project. Current database has been maintained and will be updated as and when new data are received from the provinces and other stakeholders.

No Non-achievements / underperformance has been reported

Goal 4 - Competency development

Achievements *Develop business competency of aspirant dairy entrepreneurs*

During the period under review two sessions of training totalling six days were held. The first session was attended by six farmers while the second one was attended by three farmers. The focus was on business mission, vision, and strategic objective, milestones towards set objectives, record keeping, business planning in general, and feeding of animals. Attendance during the second session was poor because some farmers attending AFASA AGM in Bloemfontein. One session is planned to take place before the end of the year although it will be difficult with the ploughing and planting season.

Non-achievements / underperformance

Business plans about 85% complete due to a lack of inputs costs from the farmers.

Reasons for non-achievements / underperformance

n/a

Planned remedies for non-achievements / underperformance

n/a

Goal 5 - Future farm managers

Achievements *Put young farm managers on farms*

This goal has not been given attention due to a lack of

Non-achievements / underperformance

financial commitment and lack of aspirant future farm managers.

No students could be identified during the period under review.

Reasons for non-achievements / underperformance

n/a

Planned remedies for non-achievements / underperformance

n/a

Goal 6 - Transformation annual form

Achievements *Establish a shared approach to transformation*

The matter has been postponed till 2015 due to the fact that personnel in the provinces have been changed and there was nothing received from provinces that would add value to the forum.

Non-achievements / underperformance

The main reasons for the postponement are the lack of time and high turnover of personnel dealing with dairy in the provinces as reported previously.

Reasons for non-achievements / underperformance

n/a

Planned remedies for non-achievements / underperformance

n/a

Goal 7 - General liaison

Achievements *Establish and maintain positive relations with other stakeholders*

Eastern Cape Economic Development: Discussions were held with Eastern Cape Economic Development Department regarding forming a partnership to develop dairy in the Eastern Cape over the next three years. A follow up meeting is to take place as to involve the Eastern Cape Agriculture.

KZN Dairy Value Chain meeting: A stakeholder meeting discussing dairy chain in the Amajuba District was attended in Newcastle. The idea is to start big dairy enterprises that would supply an envisaged UHT plant.

Old Mutual: Discussions were held with Old Mutual regarding potential dairy projects at Qamata, Eastern Cape and Motswedi, North West Province. A consultant has been appointed to do assessment of the previous dairy at Motswedi, North West.

Tshepathudi Agri Industries (Pty) Ltd (Pty) Ltd: Discussions were held with the CEO of Tshepathudi Agri Industries (Pty) Ltd regarding animal feed productions units which produce between 1 and 20 tons per day. The CEO was advised on those who were involved in funding agricultural development.

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

[Annexure A.docx](#)

[Annexure B.docx](#)

Statement

Levy funds were applied only for the purposes stated in the contract	Yes
Levy funds were applied in an appropriate and accountable manner	Yes
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