



Enterprise Development and Transformation Co-ordination/ Liaison

(PRJ-0205-2018)

Godfrey Rathogwa

Quarter 1 2018 (January 2018 till March 2018)

Project goals

Objective 1 - To continue monitoring 17 existing black dairy commercialization enterprises

Achievements

Jobs Fund report: Quarterly report for January to March 2017/18 was submitted to the Jobs Fund. Also, Project compliance audit report was responded to and submitted to the Jobs Fund. Specific Project achievements are:

Project Management Committee visited Project beneficiaries at Harrismith, made observation, asked beneficiary questions related to their dairy enterprises and made recommendations. Fodder flow plan/ situation on each farm was assessed and found to be adequate on all the farms. Lucerne was delivered to two farmers who made order for lucerne.

Three meetings were held with farmers in Free State to discuss heifer supply and fodder supply and other challenges with a view to come up with a solution. One meeting was attended by the livestock broker who told farmers that heifers which were at least five months pregnant were scarce and farmers would have to wait for a longer period.

Quotations for water supply and feed mixers were received from farmers.

Farmers were engaged regarding new people employed on their farms.

Livestock broker was requested to continue looking for animals as last year he could not supply all animals needed due to scarcity of heifers of the desired quality.

Fodder suppliers were approached for quotations to deliver fodder in winter.

A meeting was held with the Jobs Fund team to discuss issues related to project audit declined disbursement.

Management response to 2016/17 audit was delivered to the Jobs Fund Project Manager.

Responses to Rossal 98 Auditors were delivered to Jobs Fund Monitoring and Evaluation specialist.

Contracts of jobs created and other evidence were sent to the Jobs Fund Project Manager.

Payment of R799 660.66 was paid for heifers as part of heifer commitment of R4M.

R37 000 was paid for an independent project performance assessor.

R10 641.89 was paid for veterinary services work done during Q3 2017/18

R41 641. Was paid for the upgrade and maintenance of milking machines.

R15 131.44 was paid to Flight Centre for Management expenses.

R4 159.18 extra was paid for 2016/17 annual audit report.

R30 690.20 was paid for assistance with project self-assessment report.

Livestock agent reported that dairy heifers were scarce due to high price for beef but would continue to look for animals.

Farmers planted winter forage on their farms.

MilkSA collected information on cows in milk, volume of milk produced per project beneficiary.

Old Mutual- Masisizane Fund was approached regarding loans for farmers to acquire other critical assets and inputs for the farms.

There were 720 cows in milk during the period under review against a target of 340.

863 315 litres of milk were delivered to the buyers during the period under review against a target of 459 000 litres of milk.

Monitoring & Evaluation- 2 visits per farmer were made during the period under and each enterprise performance was assessed, corrective measures taken and future plans developed. Quotations for water supply and feed mixers were received from farmers.

Farmers were engaged regarding new people employed on their farms and advised to approach the department of labour regarding exemption to pay below official minimum wage as suggested by Jobs Fund.

Livestock broker was requested to continue looking for animals as last year he could not supply all animals needed due to scarcity of heifers of the desired quality.

Fodder suppliers were approached for quotations to deliver fodder in winter.

A meeting was held with the Jobs Fund team to discuss issues related to project audit and declined disbursement.

Management response to 2016/17 audit was delivered to the Jobs Fund Project Manager.

Responses to Rossal 98 Auditors were delivered to Jobs Fund Monitoring and Evaluation specialist.

Contracts of jobs created on farms and other evidence were supplied to the Jobs Fund Project Manager as requested.

Planned Project activities for next quarter- April-June 2018

Permanent pasture may be established on some farms where there is irrigation

Milking parlours may be installed on two farms- Free State and Northwest depending on the Jobs Fund regarding .

Heifers will be delivered to a new project beneficiary and old beneficiaries.

Lucerne will be delivered to some farmers who will contribute to the purchase of lucerne.

Private veterinarians will conduct pregnancy tests and check general health conditions of the dairy in order to advise farmers on remedial actions

Workshops on business plans will be conducted for all project beneficiaries.

Fodder will be supplied to ensure improved milk production during winter.

Milk SA will continue to train project farmers about dairy enterprise business plan development, financial management and also transfer knowledge and technical know-how.

MilkSA will also continue to monitor the project and advise on corrective measures regarding dairy enterprise running where necessary.

Annual project audit will be started with while independent project assessor will finalize the report.

Payments will be made for veterinary services rendered and heifers ordered

General challenges encountered

1. Dairy enterprise is dependent on climate, especially rain for the provision of water for cows to drink, pasture growth and cleaning facilities. When drought is experienced, fodder production becomes a problem which in turn affects breeding. Where possible, all dairy farms should have irrigation water system to ensure supply of water all year round.

2. Milk SA's enterprise development approach has adopted partnership with milk buyers and provincial department of agriculture but still there are challenges when farmers do not get veterinary services from the state veterinarians. This has affected the health of the dairy herd because farmers were not given veterinary service by experts in time. Private veterinary services must be outsourced to ensure that veterinary services are supplied when needed.

3. Notwithstanding having advised farmers that when they employ somebody they need to sign a contract, it has been very difficult to get properly signed contracts in certain instances, especially when it is a short term job. We have learnt that temporary job seekers are reluctant to provide copies of their IDs for fear they could be used by an employer to benefit from government incentive programmes while the worker is not benefiting.

4. Worker turnover on the farms is also very high and most of the farm work seekers around Harrismith are foreigners from Lesotho without the necessary work permits. Farmers have been advised to employ South African citizens in the first place and look for foreigners with work permits if no South African workers are found.

5. Milk SA continually encourages milk buyers to assist their milk suppliers with soft loans so that the necessary enterprise inputs can be purchased.

6. Mutual respect between employee and the employer is very important. One farmer lost fodder allegedly because there was poor relationship between the farmer and workers. The misunderstanding led the farmer' workers to burning hay on the farm after which they left the employ of the farmer. MilkSA will encourage project beneficiaries to develop camaraderie with their workers to promote a common vision and commitment to the success of each enterprise.

No Non-achievements / underperformance has been reported

Objective 2 - To deliver cows among new and existing black dairy enterprises depending on compliance with Milk SA criteria and beneficiary counter performance

Achievements

Four new potential beneficiaries have been identified and given assessment forms. Fifty four (54) pregnant heifers have been delivered to existing project beneficiaries. The livestock broker has been given instruction to look for pregnant heifers, which could be delivered during the second or third quarter of the year. Internal Mangement to still finalise the selection of new project beneficiaries.

Objective 3 - To capacitate new black dairy entrepreneurs and their workers in fodder flow planning and dairy herd feeding

Achievements

During the period under review, no capacity building sessions took place.

Non-achievements / underperformance

No workshops held becuase farmers were stll busy finalizing planting fodder for winter and the Transformation Manager was overwhelmed with Jobs Fund quarterly report and project audit queries.

Reasons for non-achievements / underperformance

Farmers were busy finalizing planting fodder for winter and the Transformation Manager was overwhelmed with Jobs Fund quarterly report and project audit queries.

Planned remedies for non-achievements / underperformance

This is planned to take place during the second and third quarter of the year, when farmers will be less busy with farm work activities.

Objective 4 - To assist black dairy enterprises in business plan development

Achievements

During the period under review, there were no business plan development sessions.

Non-achievements / underperformance

No business plan development with farmers took place during the period under review.

Reasons for non-achievements / underperformance

Farmers were busy finalizing planting fodder for winter and the Transformation Manager was overwhelmed with Jobs Fund quarterly report and project audit queries.

Planned remedies for non-achievements / underperformance

This is planned to take place during the second and third quarter of the year, when farmers will be less busy with farm work activities.

Objective 5 - To attend four Marketing Forum meetings, coordinate and liaise with relevant stakeholders

Achievements

During the period under review, no Marketing and Agro-processing Forum meeting took place. However, coordination and engagement with other important stakeholders took place as indicated below.

Masisizane Fund: Two meetings were held with Masisizane Fund regarding financial loans to our project beneficiaries for other critical assets and inputs. At the same time Masisizane wanted us to partner with them regarding a project which they funded and it was facing fodder flow challenges.

Department of Rural Development and Land Reform (DLR&RD): Engagement took place with the Deputy Director General responsible for Enterprise Development. The Department wanted partnership with MilkSA to support them in their efforts to promote security and reduce state dependence for their livelihood.

National Agricultural Marketing Council (NAMC): Meetings were held with the NAMC regarding Transformation Business Plan and statistics on Black dairy enterprises. The letter from the NAMC requesting us to keep record of black dairy enterprises was also attached to the letter sent to the provincial HODs of agriculture requesting such statistics. Regarding Transformation BP, the message from the NAMC is that 20% of levy income is meant for the deserving support for the commercialization of black dairy enterprises.

Department of Agriculture, Forestry and Fisheries (DAFF): DAFF representatives were engaged regarding the Agri BEE Fund. It was learnt that application for the Agri BEE Fund should come from the provinces as they have knowledge of what is happening regarding

agricultural development.

No Non-achievements / underperformance has been reported

Objective 6 - To visit provinces to update data on black dairy enterprises

Achievements

Letters were sent to all provincial HODs of Agriculture requesting information on the nature and structure of black dairy enterprises. Some provinces had responded with such requested information while others did not. We will however continue requesting for such information throughout the whole year.

No Non-achievements / underperformance has been reported

Income and expenditure statement

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|------------------------------------|--|
| Income and expenditure statement | 2018 Enter Development Levy Only Budget.xlsx |
| Unnecessary spending during period | No |

Popular Report

[2018 ED Goals Objectives Activities Budget.xlsx](#)

Additional documentation

No file has been uploaded

Statement

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| 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 |