



Enterprise Development and Transformation Co-ordination/ Liaison

(PRJ-0205-2018)

Godfrey Rathogwa

Quarter 3 2018 (July 2018 till September 2018)

Project goals

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

Achievements

During the period under review, four Jobs Fund project team members were taken to some project beneficiaries in the Eastern Cape, KZN and Free State provinces to interact with project beneficiaries and to assess situation on their own. After their visit, they requested that a profile of each project beneficiaries be submitted with recommendations regarding the utilization of the remaining project funds.

During the same period, auditors went visited all the farmers to conduct 2017/18 independent report. The delay was caused by the uncertainty of the project closure and discussion between MilkSA and Jobs Fund regarding project balance funds. Audit report is expected to be submitted to Jobs Fund during the last quarter of 2018 after perusal by the Internal Management Committee.

A total of 134 tonnes of Lucerne were delivered to seven farmers who contributed 40% of the cost of lucerne.

Fife hundred and seventy (**570**) cows were in milk and farmers supplied **557 239** kilogrammes of milk to processors / or consumers. The total number of cows increased by 2% while milk volume went up by **15%** during the period under review compared with April to June 2018.

The livestock broker was instructed to to continue looking for more heifers for delivery to new beneficiaries during the third quarter of 2018.

The Work Group met more than four times to address Jobs Fund and new project beneficiary issues. Furthermore, three meetings were held with the Jobs Fund personnel regarding project outstanding matters.

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

Thirty pregnant heifers have been delivered to one new Commercialization project beneficiary

during the period under review . Heifers were delivered on condition that the beneficiary entrepreneur contributed 40% of the cost of heifers supplied by MilkSA. The motivation for this approach is to reduce total dependency on grants for a commercial venture while deepening entrepreneurial culture of risking own resources to exploit the identified opportunity.

The livestock broker also supplied veterinarian reports on TB,CA and pregnant status of 20 heifers to be delivered to one of the existing project beneficiaries on 40%:60% condition.

Three new potential project beneficiaries have been identified, visited and explained about the criteria for getting MilkSA support. One is situated at Vryheid in KZN while the other two are at Badplaas and Ermelo respectively in the Mpumalanga Province.

Five project beneficiaries identified during Q2 have advised the Transformation Manager that delivery of heifers be delayed because of shortage of feed, milk surplus and low price of milk.

In the meantime the Transformation Work Group is currently studying the profiles of each applicant for recommendation to the Internal Management Committee.

No Non-achievements / underperformance has been reported

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

Achievements

Five potential project beneficiaries attended a workshop in Free State where the framework of a business plan was being discussed with 9 existing project beneficiaries. Detailed business plan for new beneficiaries will be developed once their participation in the project shall have been approved by the Internal Management Committee

No Non-achievements / underperformance has been reported

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

Achievements

Following up the workshop which took place during the previous quarter, each project beneficiary, depending on their circumstances like commitment to the success of the enterprise, is being assisted with a complete business plan including projected financial statements. Business plans will be submitted to each enterprise's bank for a loan and to DAFF for consideration for assistance under 'Blended Funding for Agriculture'.

During the workshop which took place over a period of two days during Q2 the following aspects were covered:-

Fodder flow planning

Enterprise mission

Enterprise mission

Short term objectives

Long term objectives

Strengths of the enterprise

Weaknesses of the enterprises and strategies to overcome such weaknesses

Threats and strategies to deal with threats

No Non-achievements / underperformance has been reported

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

Achievements

During the Agricultural Marketing Forum meeting held in July 2018, Milk SA requested to explain the audience/ representatives of the provinces about the dairy development promotion in SA. Dairy industry statutory levy and its focus areas for deployment were explained to the audience. Furthermore, the challenge of getting a reliable database of existing black commercial dairy enterprises from the provinces was stressed. It was indicated that 20% of the statutory levy was for support of existing black dairy enterprises along dairy value chain. Milk SA only assist entrepreneurs who ventures into commercial dairy on own initiative. and willing to put their own financial contribution to augment the industry funding. It was stressed that MilkSA did not want to support government initiated and funded projects where there was no ownership and commitment to the success of the venture. Therefore, provinces were requested to submit names of existing and deserving enterprises for consideration for support by MilkSA.

It was resolved that:

That each province should submit at least two dairy enterprises to Mr. Rathogwa for possible support by Milk SA by the end of 3rd August 2018;

KZN would provide database for their dairy entrepreneurs to Milk SA for possible assistance;

The Eastern Cape province would have internal engagements at the province and revert to Milk SA afterwards; and

Free State province would provide Milk SA with a database of their dairy producers.

Limpopo indicated that they did have two known dairy projects and they would like Milk SA to assist their projects with fodder and other related needs;

DAFF's livestock economist would be availed to assist Mr. Rathogwa with the coordination process and;

Contact details for Mr. Rathogwa were shared with the provinces for ease of access.

No Non-achievements / underperformance has been reported

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

Achievements

During the period under review no provincial visits took place regarding black dairy enterprises but the matter was discussed during the DAFF's Marketing Forum in July 2018 as can be seen under Objective 5 above. As a result of such discursion with province representatives, MilkSA was approached by some provinces who in turn were given dairy enterprise profile form to be filled in by respective enterprise owners. Some beneficiary also contacted us on their own and we sent them profile forms which still being waited. Also, one processor in the Northern Cape Province was emailed the profile form but did not like to complete the questionnaire and we stopped following-up with him. The matter of black dairy enterprises will be discussed again during the upcoming Marketing Form meeting to take place in November 2018. A list from North West Province is still being awaited.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	ED BUDGETB2018.pdf
Unnecessary spending during period	No

Popular Report

[JULY to SEPT 2018 POPULAR REPORT True.pdf](#)

Additional documentation

No file has been uploaded

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