



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

(PRJ-0029-2013)

***Milk South Africa***

***Quarter 1 2013/2013*** (January 2013 till March 2013)

### **Project goals**

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

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

During the period under review farms of the eight beneficiaries in Free State have been visited and the following achieved:

1. Two farmers signed contracts while four signed a memorandum of understanding with regard to the cow/ heifer procurement process.
2. State Vet has been requested to and checked animals for pregnancy, age and took blood samples to check for diseases.
3. An experienced advisor had checked the animals for value for money
4. Cows have been delivered to two beneficiary farmers
5. Fodder flow situation has been assessed on all the eight farms. Fodder situation was sufficient in general and some farmers had already planted winter pasture while others were still making preparations to plant winter pasture
6. Progress regarding the construction of the milking parlours being funded by the Free State provincial agriculture was monitored. All was going well and Certificates for Acceptability have been issued to the six farmers whose milking parlours were completed. Milking equipments were also being installed to six milking parlours. Farmers were supplied with standby generators.
7. Meetings were held with the Development Bank of Southern Africa regarding a grant under Jobs Fund Programme for the supply mainly of Eskom electricity and the discussion on the matter is still going on.
8. A meeting was also held with Qwaqwa District Municipality regarding their contribution to the supply of electricity to the farmers.
9. A meeting was also held with the Land Bank regarding possible loans to augment the support of Milk SA so that enterprises' chances of success are enhanced.

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

#### **Goal 2 - Transformation Strategic Plan**

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

Two workshops have been conducted during the period under review, each in Pretoria and Durban respectively.

The draft report is awaiting inputs from the provinces and it was agreed that it could be finalized at the May 2013 Transformation Conference. However, the following are some of the salient points in the draft report.

### Rationale/ Motivation for the Smallholder Dairy Development Strategy

1. Common approach for dairy development is essential
2. Objective approach to empowerment of previously disadvantaged individuals
3. Promote market access based on appropriate business models 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 like 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 and affordable 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:

- Care for the animal: We regard cows as our mine 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 to dairy industry specifically.
- 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 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 25% of the market share by 2018.

The following were highlighted 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 the provinces

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

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

#### ***Achievements***

Questionnaires have been sent out to the provinces to collect data new black entrants into the industry in order to update the existing database. Responses are expected by the end of May 2013.

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

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

#### ***Achievements***

N/A

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

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

#### ***Achievements***

Not applicable as Milk SA did not make budget for this.

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

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

#### ***Achievements***

This is being planned for May 2013 pending receipt of certain information from the provinces. Some of the information includes additional data on dairy entrepreneurs.

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

## **Income and expenditure statement**

Income and expenditure statement	<a href="#">JANUARY MARCH 2013 QUARTERLY REPORT.doc</a>
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