



Transformation Coordination and Facilitation

(PRJ-0089-2015)

Milk SA

Quarter 1 2015/2015 (January 2015 till March 2015)

Project goals

Goal 1 - Implementation of sustainable commercialization dairy programme

Achievements

This report covers activities performed during January-March 2015. Specific areas of focus are The Sustainable Commercialization Project with the following sub-titles:-National Treasury/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 with farmers was held and two visits per farm were made to each of the seven of eight beneficiaries in Free State. Two Internal Management Committee meetings were held as well as three Work Group meetings.

National Treasury/Jobs Fund

Q4 2014/15 (January to March 2015) report was submitted on the due date but without a bank statement. The bank statement was received the following day from PWC and the report was requested for uploading the bank statement and resubmitting it to the Jobs Fund/ National Treasury. Two days later it was reported that the report was non-compliant and we requested detailed but have not been supplied with them. The implementation of this project needs to be rescheduled in order to finish it next year as originally planned because National Treasury would like the project to be finalized this year. A disbursement request for about R4 million was requested to make good over contribution by Milk SA and expected 120 cows planned to be purchased during this quarter and next quarter. Within the next 60 days, after year end, the project should be audited by an independent auditor. Targets in terms of jobs pasture establishment, milking parlour upgrading, milking parlour construction are lagging behind and the matter will be reviewed with the Jobs Fund.

Farmers have been warned that if they intend to sell their farms they will have to inform Milk SA to ensure approval of Milk SA failure which all money for electrification and other capital expenditure will have to be paid to milk SA.

They were explained the letter setting out those conditions and advised to go and get someone to explain the content of the letter while the draft was being finalized by the attorney. Furthermore, they were advised to sign at the police station.

Veterinary services

During the period under review farmers were visited by Harrismith Animal Hospital appearing in Table 1 below.

Table 1: Visits by to farms by Harrismith Animal Hospital during January- April 2015

Date Visited	Farmer	Observation	Treatment administered	Advice given to the farmer
09/01/2015	Ms. L Moloi	-29 cows were seen and in fair condition -26 cows were pregnant from 2-9 months -One of the cows bought by Milk SA was not pregnant	None	
09/01/2015	Mr. PP Motlokwa	-15 cows were seen -5 cows more than 4 months in milk but not pregnant or cycling -Some cows were 6 months pregnant but already dry	None	-Farmer advised to increase food intake. -Farmer advised about tick control and vaccination against black quarter and CA
20/02/2015	Mr.M.J.Makoele	-47 cows seen -Cows had been dipped 7 days ago -33 cows were in calf -Feeding for winter was in place	-4 cows 5 months in milk but not pregnant treated with Estrumate	-Farmer advised to increase concentrate for cows in early lactation -Also advised to vaccinate against Brucella and Black quarter -Farmer advised to sell two problematic cows
28/01/2015	Mr M. Makubo	-37 cows were seen -19 were in milk -19 were in calf from 1.5 to 7 months -Cows were in good condition	3 cows were injected with Estrumate	-Farmer was advised on tick control and vaccination -Next visit will be in April 2015 to check 18 cows which were not pregnant during the Visit.
28/01/2015	Ms Hika	-22 cows were seen -9 cows were in milk -12 cows were dry, in calf 2-5 months -One cow had big abscess above the udder		Next visit will be in April to check pregnancy status of the 9 cows
17/02/2015	Mr Jan Zim	-38 cows seen -14 were pregnant -11 cows were with a bull -4 in early lactation	None	-Farmer was advised to sell three problematic cows.
23/02/2015	Ms. L Moloi	One cow died from Asiatic red water- blood smear results	2 cows and a bull treated against red water All cows treated against red water	Farmer given pour-on dip to put on animals in two weeks' time and repeat every three weeks until winter.
02/03/2105	Ms. L Moloi		Two cows with udder abscesses treated and one abscess drained	-Farmer advised to control tick to prevent gall sickness and red water.
02/03/2015	Mnguni	-One cow was very sick with lung infection		-Farmer advised to control tick to prevent gall sickness and red water
01/04/2015	Mnguni	-Cows were in good condition -Farmer mixed his own concentrate -17 cows were in milk -8 cows in calf	-2 cows more than 6 months in milk but not in calf were treated with Estrumate	-Farmer advised to control tick to prevent gall sickness and red water.

01/04/2015	Moloi	<ul style="list-style-type: none"> -Three cows aborted since November 2014 -12 cows were pregnant -10 cows in early lactation not pregnant -Cows in lactation losing condition quickly although were receiving 17% protein concentrate -Challenge: difficult to make silage 		<ul style="list-style-type: none"> -Farmer advised on mastitis and tick control tick to prevent gall sickness and red water. Advised to increase concentrate feeding.
01/04/2015	Mtlokwa	<ul style="list-style-type: none"> -7 cows were pregnant -One cow with a bull three times but not pregnant. -Milk production dropping quickly -Owner to start cutting silage after Easter -Main reason cows not cycling was insufficient (\leq 17%) protein in the concentrate 	<ul style="list-style-type: none"> -8 cows more than 4 months in lactation but not pregnant were treated with Estrumate 	<ul style="list-style-type: none"> -Farmer advised on mastitis and tick control tick to prevent gall sickness and red water.

Eskom

All the farmers but one are now connected to the electricity. The one not yet connected is because when the compliance inspectors visited her farm she was in hospital, and it's understood that they will visit again towards the end of April 2015. With regard to the farmer accounts that were being sent to Milk South Africa, Eskom was informed formally that all accounts for the farmers should be directed straight to the farmers and they confirmed that they did and also spoke with each of the farmers.

Pasture establishment and fodder flow

Pasture had been established due to drought and lack of machinery amongst some of the farmers. The Work Group also met with the buyer to discuss fodder flow plan per farmer and resolved that fodder flow plan per farmer should be available at the of April 2015. Consequently, after that meeting the Transformation Manager and the Agricultural Officer from Nestle met and drafted fodder flow plans per farmer, which will be finalised with each farmer when the officer is back from sick leave. It has also been resolved that the services of ploughing and planting pasture (eragrostis and teff) will be outsourced and be done as soon as rains start to fall.

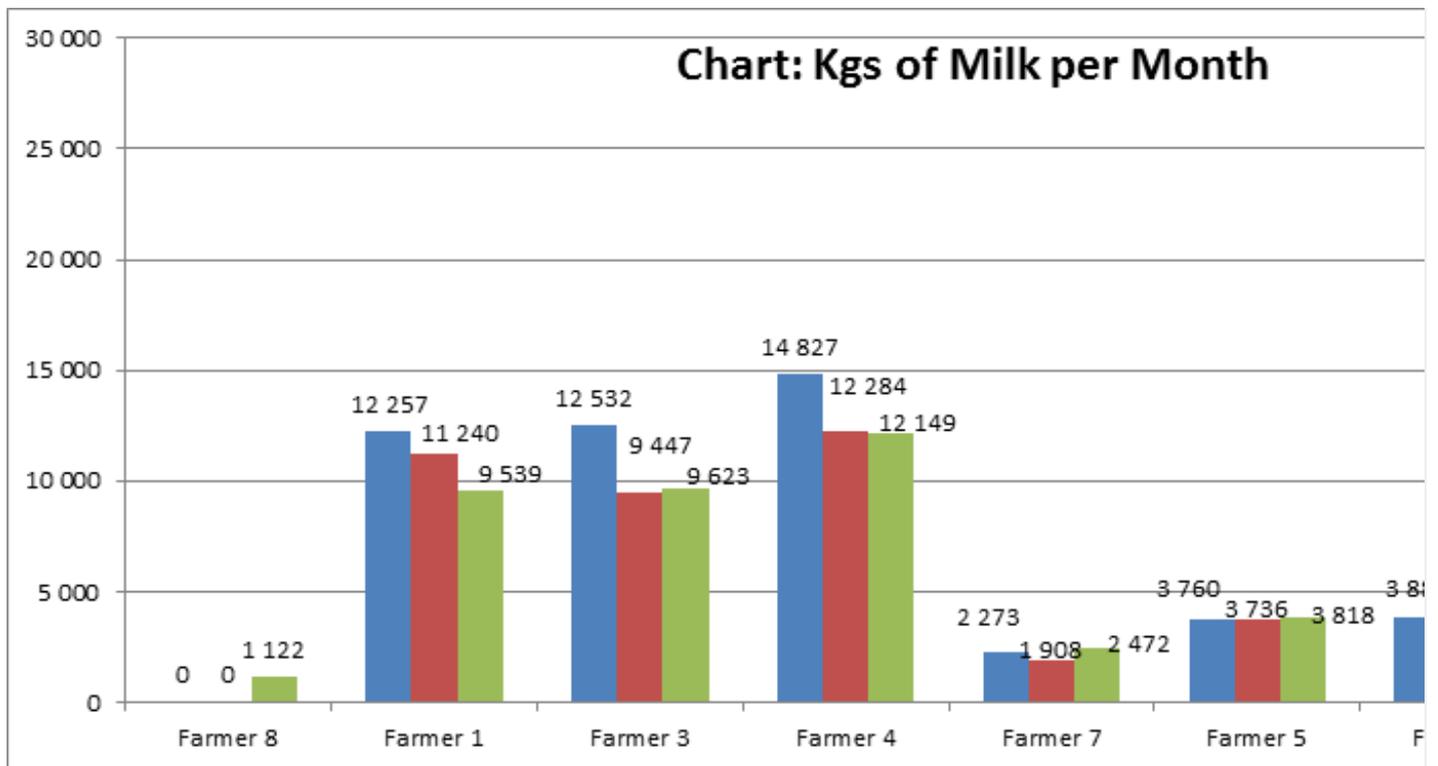
Milking machines

An order for parts for upgrading 8 milking machines had been placed and the service provider has reported that the spares had arrived. Upgrading of machines will take at least a month to finalise and its expected that they will start by the third week of April 2015.

Heifer supplies

There were no heifers supplied during the period under review, pending assessment of the fodder flow situation amongst farmers who are still owed some cows and the other potential beneficiaries in KZN and Eastern Cape. Of the 33 heifers shared between Ms Moloi and Ms Hika, each suffered 3 stillborn respectively. Depending of the final assessment on the fodder flow situation amongst potential beneficiaries and existing farmers, cows could be supplied late in quarter 2 or quarter 3 2015.

Milk volumes delivered to buyers



Note:

Farmer 8 started milking in March 2015 and milked **10 cows** with an average of **3.6** litres per cow per day.

Farmer 1 milked **38, 38, and 22** cows per respective month with an average of **10.40, 10.56** and **13.98** litres per cow per day respectively.

Farmer 3 milked **39, 40, and 36** cows per respective month with an average of **10.36, 8.43** and **8.62** litres per day respectively.

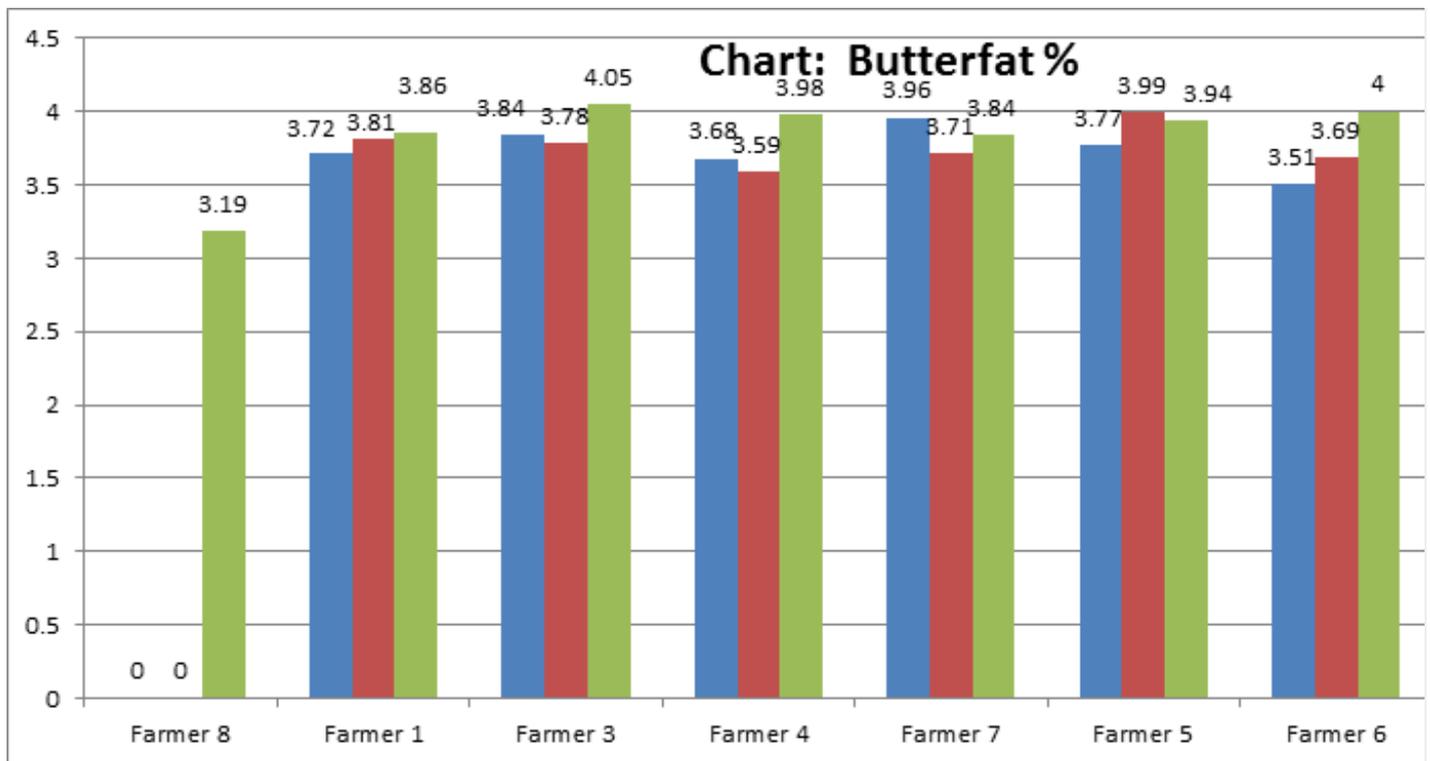
Farmer 4 milked **40, 40, and 38** cows per respective month with an average of **11.95, 10.96** and **10.31** litres per cow per day respectively.

Farmer 7 milked **8, 8, and 11** cows per respective month with an average of **9.16, 8.51** and **7.24** litres per cow per day respectively.

Farmer 5 milked **9, 10, and 16** cows per respective month with an average of **13.47, 13.34** and **7.69** litres per cow per day respectively.

Farmer 6 milked **9, 11, and 12** cows per respective month with an average of **13.91, 9.07** and **6.02** litres per cow per day respectively.

8. Farmer 2 milked **48, 54, and 64** cows per respective month with an average of **18.78, 15.51** and **11.44** litres per cow per day respectively.



The chart above shows milk protein % . There is no clear pattern of the trend

No Non-achievements / underperformance has been reported

Goal 2 - Smallholder dairy entrepreneur database

Achievements

Black dairy enterprises data

The issue of black dairy enterprises data had been finalised between NAMC and Milk South Africa. Consequently NAMC developed an instrument to collect data from all Provinces and results are being awaited. Notwithstanding many follow- ups with the Provinces, so far we have received only data from four provinces.

No Non-achievements / underperformance has been reported

Goal 3 - General Liaison / Stakeholder engagement

Achievements

Potential beneficiaries in KZN and Free State

At the end of March 2015 three farmers have been visited in the Eastern Cape to reassess their situation for the finalization of assistance under this project. Some information is still being awaited, together with the information from some of the five KZN farmers visited in December 2014. It is expected that this report will be finalised soon depending on the speed at which the farmers supply their outstanding information.

No Non-achievements / underperformance has been reported

Goal 4 - Transformation strategic plan

Achievements

n/a

No Non-achievements / underperformance has been reported

Goal 5 - Competency development

Achievements

n/a

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	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