



## ***Transformation Coordination and Facilitation***

(PRJ-0089-2015)

***Milk SA***

***Quarter 2 2015/2015*** (April 2015 till June 2015)

### **Project goals**

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

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

This report covers activities performed during April-June 2015 focusing on the Sustainable Commercialization Project with the following subtitles:

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

General transformation liaison

National Treasury/ Jobs [Fund](#)

The first meeting focused mainly on [financials](#) which were not balancing and the request for all bank statements from which project payments were made. PWC were invited to training on capturing financials online while the Projects Managers training was being arranged to take place after the 15th June 2015. Three meetings were held with National Treasury regarding project financials and performance. The second meeting focused on clarification for certain aspects which were ambiguous and agreement in addressing their 'concerns' such as more manpower for the project. The third meeting was regarding their delay in responding to Milk SA requests when there are issues to be addressed and the fact that we hear comments by people not involved in the project and not working for National Treasury.

Performance targets were a concern and the meeting was informed that reasons for under-performance were in the report quarterly reports submitted regularly bearing in mind that farmers were farmers on their own right with certain obligations. There were also standard schedules for reporting which were provided only after the meeting and figures about jobs created had to be re-written because farmers [employed](#) people from Lesotho with no identification document numbers.

Farmers have been met to emphasise their obligations in terms of the contract and to discuss the issue of jobs created during any quarter and the information to be given to Milk SA for reporting in compliance with project conditions. It was stressed that non-compliance with the provision of the contract will compel Milk SA not to fulfil its obligations. Furthermore, farmers were reminded again that if they intended to sell their farms they would have to inform Milk SA to ensure approval of Milk SA, failure which all money paid by Milk SA for infrastructure and cows will have to be repaid to Milk SA.

## Veterinary services

During the period under review eleven farm visits were made to seven farmers by the Vet. Some farms were visited twice mainly during April and June 2015 as can be seen below.

### PRIVATE VETERINARY SERVICES RENDERED TO QWAQWA FARMERS DURING APRIL-JUNE 2015

#	Farmer No.	Number of cows seen	Observations by the Vet	Treatment administered
1		<p>13/04/2015 47 cows were examined.</p> <p>26/06/2015 63 Cows were inspected</p>	<p>Cows were still in good condition but milk production is down. 32 cows were in calf. 10 cows had calved recently Farmer was to start cutting silage. A few hectares were under oats to <a href="#">supplement</a> winter feeding.</p> <p>Cows are in relatively good condition and he has enough feed for winter 30 cows would calf in the next three to four months</p>	<p>5 cows were treated then Estrumate</p> <p>10 that have calved longer than three months ago were w Estrumate. One cow with a mummified was treated.</p>
2		<p>17/04/2015 10 cows were seen on 22/06/2015</p>	<p>The cows are still in fair condition but milk production is going down.</p>	<p>The cows were treated and the calves have received vaccinations</p>
3		<p>29/06/2015</p>	<p>Cows were in relatively good condition with milk production that varied.  17 cows would calf in the next two to four months</p>	<p>4 cows that calved more than 6 months were injected with Estrumate</p>
4				
5		<p>01/04/2015 17 cows seen were in good condition</p>	<p>17 cows were in milk 8 cows pregnant 7 in milk but not pregnant. 2 cows were more than 6 months The farmer mixed his own concentrate.</p>	<p>2 cows more than 6 months and not pregnant that were treated with Estrumate</p>
6		<p>01/04/2015 8 cows were seen 16 cows were inspected on 25/06/2015</p>	<p>Cows were in a fair condition but they are <a href="#">losing weight</a> very fast. Milk production is also dropping fast. The main reason why the cows are not cycling is the concentrate must be at least 17 % protein. Owner will begin with cutting silage after Easter  4 that would calf in the next four months.</p>	<p>8 were treated with Estrumate Three were injected with Estrumate</p>
7		<p>01/04/2015 &amp; 25/06/2015 24 cows were inspected.</p>	<p>The cows were not in a good enough condition but farmer was rationing the feed due to lack of <a href="#">money</a> to buy in extra feed. Milk production seemed fairly constant. 7 pregnant could calf in the next four months The cows in lactation are losing condition very quickly – although they received a 17 % protein concentrate. Must increase concentrate feeding but Letta has a problem getting the silage cut.</p>	<p>One cow was injected with Estrumate.</p>

8	29/06/2015 14 cows were seen	Cows that were seen were in very poor condition. Silage is finished for the year, Cows were feeding on maize stalks and husks Only one pregnant out of the 14, The rest were too thin to get pregnant and wasn't treated to cycle	

### Eskom

All the farmers are now are now connected to electricity and monthly usage [accounts](#) are sent directly to them

### Pasture establishment and fodder flow

Pasture establishment will take place during the fall of the summer in 2015. We expect to establish ten hectares per each of the fifteen farmers during this period.

### Milking machines

Four milking machines have been upgraded and are operational. The other two could not be upgraded because their milking parlours were not yet connected to electricity. The two milking machines which farmers bought on their own have also been assessed and the [service](#) provider will upgrade them during July-September 2015.

One farmer was not using the milking machine due to a lack of sufficient water because there was not sufficient wind. The farmer will have to extend the cable to the borehole to ensure sufficient water all the time.

### Heifer supplies

There were no heifers supplied during the period under review due to a lack of sufficient fodder [flow](#)

### Potential beneficiaries in KZN and Eastern Cape

The list of five beneficiaries, of which four are from KZN and one from EC was being finalized. Information [flow](#) is a challenge to make decisions timely.

### Other potential funders of dairy industry transformation projects.

Old Mutual have agreed that they would send their consultant to assess all potential funds borrowers in QWAQWA as they are assisting other farmers in other provinces to support economic transformation. The purpose of this is to ensure that farmers have sufficient working capital to buy things like feeds, [pay](#) for veterinary services and for all other important requirements.

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

### Goal 2 - Smallholder dairy entrepreneur database

#### ***Achievements***

Data will be updated as and when new information is found. So far only four provinces had supplied information as requested and follow-ups have yielded no results. It has been learnt that NAMC too had difficulties in getting the information from the provinces.

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

## **Goal 3 - General Liaison / Stakeholder engagement**

### ***Achievements***

#### **Dairy Value Chain Study**

According to the Department of Rural Development and Land Reform the project has been put on hold due to change of management within the department. Nonetheless, it has been learnt from some of the Milk SA project beneficiary farmers that they were approached and promised five cows per farmer.

#### **Marketing and Agro Processing Forum**

A marketing meeting was attended during 26-27th May 2015. The forum focuses on what can be done to assist small holder/ emerging agricultural enterprise market their products effectively and efficiently.

#### **Meetings with NAMC**

Two meetings were held with NAMC regarding farmer support in terms of [paying](#) for the cost of wiring milking parlours and the NAMC Transformation Guidelines. NAMC's Chair of the Transformation Review Committee was told that it was part of the condition that each beneficiary farmer has to [pay](#) for the wiring of their milking parlours and farmers were in agreement with the arrangement. It was also agreed that Milk SA were still consulting the industry regarding Guidelines and they would receive Milk SA's formal reply as soon as responses of industry members have been received.

#### **Department of Agriculture, Forestry and Fisheries (DAFF): BEE Directorate**

A meeting took place with DAFF's directorate regarding the amended BEE codes. It was reported that the 2012 codes were still in force pending the approval of the amended codes.

#### **Provincial Workshops**

Follow-up letters requesting dates for the workshops have been sent to the provinces. Some have responded while others have not yet. Dates for KZN and Western Cape workshops have been changed due to other important engagements but will be re-arranged.

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

## **Goal 4 - Transformation strategic plan**

### ***Achievements***

Mr J. Mamabolo from DAFF is based at the African Union offices and is difficult to meet with him. For the time being the matter should be left as is until the meeting takes place.

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

## **Goal 5 - Competency development**

### ***Achievements***

No formal training took place during the period under review. It is believed intensive training will take place from July 2015 when farming activities will be scaled down and service providers properly briefed on what needs to be done.

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

# Income and expenditure statement

Income and expenditure statement	<a href="#">Transformation Pro Forma Budget 2015.pdf</a>
Unnecessary spending during period	No

## Popular Report

No file has been uploaded

## Additional documentation

[Transformation Pro Forma Budget 2015.pdf](#)  
[Explanatory Notes on Budget Items.pdf](#)

## 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