



## **Facilitation and Enterprise Development**

(PRJ-0130-2016)

**MilkSA**

**Quarter 4 2016/2016** (October 2016 till December 2016)

### **Project goals**

**Goal 1 - Black dairy enterprises data: Visit 5 provinces where there is intensive dairy development activities**

#### ***Achievements***

Two black dairy enterprises have been identified at Sekukune, Limpopo Province during the period under review. One of them is focusing on milk production while the other one is focusing on processing raw milk.

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

**Goal 2 - Commercialization of black dairy enterprises: Assist 20 black raw milk producers by providing feed and 277 heifers by December 2016**

#### ***Achievements***

##### **Jobs Fund/National Treasury**

During the period under review, Jobs Fund paid its share of R1 081 492 and visited our office to see the files and to talk about the project in general. Q3 report has been submitted and feedback is still awaited. The shortfall was corrected and the report resubmitted. Furthermore, Jobs Fund representatives were accompanied to Qwa-Qwa to see milking parlours that have been constructed but no feedback as yet. Jobs Fund held back an amount of R1,23 million, to be claimed later for use in monitoring the implementation of the project.

##### **Milking parlours and milking machines.**

During the period under review milking machines expert made an assessment of all the machines and the report is still awaited. It has, however, been learnt that farmers needed further training and Nestle organized a course which was offered during the first week of October 2016. Based on the report to be received from the milking machines expert, decisions will be taken regarding areas that need more attention regarding operating and management of milking machines.

##### **Eskom**

Eskom has installed electric transformers on two farms which MilkSA paid for the connection fee.

### **Access to funding**

Financial Solutions Capital: One farmer has been connected with Financial Solutions Capital for working capital. Unfortunately, the farmer has not been successful because the funder wanted a joint account to ensure monies were paid in when due but the farmer did not like it.

Old Mutual: Financial loan for one farmer has been finalised for short term working capital.

Funders have got challenges with people who have not registered their companies but trade in their names. Although, farmers have been advised this in the past years, most did not register their farming business as private companies.

### **Fodder Flow**

All farmers but two have planted maize for silage, ranging from 10 hectares to 40 hectares per farm.

### **Heifer supply**

One hundred and twenty heifers have been supplied and shared among 6 farmers.

### **Veterinary Services**

Dr. Froneman of Froneland Veterinary services visited the farms and conducted a general dairy herd assessment, gave advice, and treated animals where it was necessary. The plan of the vet is to visit the farms once a quarter unless emergencies were experienced.

### **Pasture establishment**

Ninety nine hectares have been prepared for planting *eragrostis curvula*. Planting is however being delayed because the ground is too wet. One farmer indicated he would do own establishment and would be compensated inline with the accepted quotation for ploughing services.

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

### **Goal 3 - Liaison and facilitation: DAFF, Provincial Governments, other stakeholders**

#### ***Achievements***

DAFF:

The Directorate of Marketing: Department of Agriculture, Forestry and Fisheries organized a meeting to discuss marketing outlets for small producers as the majority of them were facing challenges to secure reliable markets. It was agreed that DAFF would assist regarding Good Agricultural Practice (GAP) training to ensure that producers meet market requirements and comply with health and food safety requirements.

National Agricultural Marketing Council (NAMC).

The NAMC representatives were met during the period under review the 2017 Transformation Business Plan. Issues which they highlighted as concerns were explained and clarified to their satisfaction and agreed that the business plan be implemented as presented for their consideration and approval. However, they indicated that they would like to be given training programmers of all divisions of Milks Transformation- Enterprise Development and Skills Development: Primary and Secondary industries.

Western Cape Province: Department of Agriculture.

The Department of Agriculture of the Western Cape Province was visited in December 2016 to discuss dairy development in general. Some farmers around Atlantis were also visited to see if there was any potential to form partnership. Unfortunately, farmers were found to be operating on farms without official land ownership although they indicated that the department of Land Reform

and Rural Development was busy with the matter of land ownership.

Limpopo Province of Agriculture. Two dairy enterprises were visited at Sekukune, Limpopo Province. One is supposed to be a producer of raw milk, processor and distributor but there was no sufficient land for grazing. The dairy processing cooperative was in the middle of a town did not have a reliable supplier of raw milk. The official responsible for the dairy requested that a follow-up meeting be arranged in 2017 to discuss and formulate strategies to overcome challenges to ensure viability of the projects.

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

## Income and expenditure statement

|                                    |  |
|------------------------------------|--|
| Income and expenditure statement   | <a href="#">Management Account 1Oct -31 Dec 2016.pdf</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   | No |