



## ***Enterprise Development Facilitation and Coordination***

**(PRJ-0146-2017)**

### ***Milk South Africa***

***Year 2017*** (January 2017 till December 2017)

#### **Project goals**

**Goal 1 - Experts address knowledge and skills gaps of 20 black dairy enterprises for improved enterprise**

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

###### **Achievements**

The total number of participants who attended learning sessions was **eighty-nine** comprising fourteen farmers and sixty-five farm assistants. The theme of the workshops was “**Enterprise Culture, Productivity, Efficiency and Quality Products / Services= Competitiveness and Sustainability**”. Workshops were conducted in Free State, Kwazulu-Natal and North West Provinces.

The following aspects were covered during the workshops (Annexure A)

Milk SA's role in dairy development and transformation programme activities.

Fodder flow planning.

Feeding dairy cattle for profitability.

Strategies to support survival, competitiveness and sustainability of black dairy enterprises

Factors influencing milk price

Competitiveness in a global dairy market.

Breeding dairy herd for productivity and profitability.

8. Small dairy enterprise, health and legal compliance

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

**Goal 2 - R12.1M ( including Commercialization project budget) is spent on critical needs of existing black dairy enterprises- knowledge and skills development, supply of affordable assets, etc.**

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

During the period under review milking machines were assessed by an expert and challenges addressed by replacing some parts. The buyer of milk in Free State showed farmers the negative impact of dysfunctional milking machines on the quality of milk and the price paid for milk.

Farmers were advised to ensure that their milking machines were maintained regularly to prevent loss of income due to poor quality milk resulting from milking machines not maintained regularly.

Further achievements are the following:

Farmers were subsidized by 50% of the cost of lucerne and dairy meal in order to boost milk production. This subsidy had positive impact on the milk produced per cow compared with milk

production before intervention.

A total of **225** pregnant heifers were delivered and shared among sixteen farmers. These animals were subsidized by MilkSA by 60% of the total cost

One new potential project beneficiary was identified and contract signed.

**51** new permanent and 53 seasonal jobs were created during the year under review

There were **546** cows in milk during the period under review against a target of 340.

**2,083,009** litres of milk were delivered to the buyers during the period under review against a target of 459 000 litres of milk.

Three visits per farmer, in addition to group meetings, were made during the year under review and each enterprise performance was assessed, corrective measures taken and future plans discussed.

An independent project performance assessor started to conduct the job and visited some project beneficiaries.

Annual project audit conducted by Faure Bosman was been delivered to the Jobs Fund.

Queries raised by Rossal 98 Auditors appointed by the Jobs Fund to audit the project from inception up to the time of visiting farms, were responded to.

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

#### **Goal 3 - Each dairy entrepreneur's herd is assessed by a private vet at least twice per year regarding pregnancy status and general health to ensure good health, acceptable calving intervals and productivity**

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

The private veterinarians visited some farmers in Kwazulu-Natal and Free State Provinces.

During these farm visits, pregnancy status and fertility tests were conducted. Farmers were advised on the remedial actions depending on the challenges experienced during the farm visits. Post-mortems were also conducted where animals died. The concern of all the Vets was proper record keeping, especially using a computerised system, in order to improve management of the enterprises. Farmers were advised to keep separate record keeping books for each aspect of management- animal treatment book, milking records, pregnancy results, feeding results, etc

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

#### **Goal 4 - Participate in four Agricultural Marketing and Agro- Processing Forums meetings. The focus is on supporting small producers to find and market their produce profitably**

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

During the year under review, only one Marketing Forum for Agriculture, Forestry and Fisheries meeting was attended due to a clash of dates with MilkSA schedule. The meeting was held at Port Shepstone, Kwazulu-Natal. Some of the aspects discussed and relevant to MilkSA are:

##### **4.1 Benchmarking of SA-GAP against Global-GAP**

The benchmarking of SA-GAP against the Global GAP was presented by Mrs Christi Venter from the Global GAP. It was reported that PPECB had already shared their standards with the Global GAP as a way forward to harmonisation. The presentation highlighted the categories, criteria and possibilities of benchmarking.

**Discussion/s:**

Benchmarking is important to avoid duplications and minimum duration is 26 weeks for initial applications and 20 weeks for re-benchmarking. Once there is a benchmarking process, all parties need to fulfil requirements for accreditation;

Two main categories of benchmarking: Approved Modified Checklist-equivalent (where Global GAP think SA GAP qualifies) and Scheme;

The Global GAP proposed another route for SA GAP to create its own rules in order to also qualify for Scheme benchmarking;

There are two approved standards: Current Equivalent Scheme & Current Equivalent Approved Modified Checklist;

Cost for initial application is 2 500 Euro (covers the whole process including on site assessment);

Annual Base Administration fee after recognition is 4000 Euro for checklists/ 6 000 Euro for schemes (includes free of charge re-benchmarking);

For consideration: Certification Bodies required to be accredited (ISO 17 065) and open to any certification body that complies to Global GAP, General regulations;

Possibility: Technical equivalent covered under benchmarking: Produce Safety Standards (focus on food safety); and

Group certification with quality management system is proposed to cater for small scale farmers in Global GAP.

**Decision/s:**

Global GAP would send the Marketing Forum secretariat a document which highlights Global GAP rules;

The Chairperson of the Forum would make a final decision on the 14th December 2017 in Cape Town and further indicated that he would like to invite the Global GAP to the meeting;

The Global GAP should also start working towards Livestock GAP.

**4.2 Report on the review of the Marketing Information System (MIS)**

The report on the review of the Marketing Information System (MIS) was presented by Mr. Douglas Moses and the following were noted:

**Discussions:**

Only 15 questionnaires on the user opinion of MIS were received from the members of the Forum;

The benchmarking of the MIS with other related systems in other countries was done by DAFF;

The Chairperson raised a concern that the presentation lacked comments provided on the report by the Directorate Marketing, which needed to be highlighted to avoid repetition from the Forum;

**Decisions:**

Members were encouraged to read and send comments on the MIS review report to DAFF;

It was indicated that DAFF should put pressure on the contacts people provided by CGA –GDC to provide international citrus prices for publication on the MIS;

Milk SA indicated that they will provide contact details for

relevant people who would provide reliable milk prices to DAFF for publishing on the MIS;  
DAFF would organise meetings to engage commodity associations in order to get their views and inputs regarding the MIS.  
DAFF should consider undertaking awareness campaign on MIS during farmer's day meetings which take place throughout the year.

#### **4.3 The Tourism BEE Portal & roll out of the awareness campaign**

Presentation on the update of the Tourism B-BBEE portal was focused on linkages with department of agriculture. The portal was made live on the first week of October 2017 and launched by the Minister of Tourism on 30th October 2017. The portal is found at the [www.tourism.gov.za](http://www.tourism.gov.za).

#### **Discussion/s:**

The National Department of Tourism (NDT) had already registered 1 000 black owned SMEs and in depth due diligence of 12 000 SABS accredited enterprises was underway;  
Awareness was done to SAACI, ASATA, SABOA, and FEDHASA regarding their buyers of the portal;  
For agriculture, communication were made with PSA, VKB Agriculture and CGA-GDC;  
Awareness to suppliers would be separated from the one with buyers;  
The majority of agricultural associations would be engaged between January and February 2018.

#### **Decision/s:**

The Chairperson would address the issue of PPECB farmer database with Ilse;  
The Deciduous fruit development chamber should be added to the list of agricultural producer associations;  
The NDT was requested to share their agricultural awareness campaign with DAFF in order to co-visit the stakeholders;  
The CGA-GDC would meet the NDT on the last week of November 2017.

### **Goal 5 - Assess black dairy development in each province at least once per year**

#### ***Achievements***

During the period under review, Western Cape Province was engaged regarding black dairy enterprises in the province. It was learnt that there were no new dairy development initiatives because the Department of Rural Development and Land Reform was not releasing land for dairy development. Efforts to visit other provinces were not successful but we have since called farmers using our data base to verify if such enterprises were still active. Some provinces do not like engagement; perhaps because there is nothing tangible to show.

#### **Non-achievements / underperformance**

Not all provinces could be visited.

#### **Reasons for non-achievements / underperformance**

People responsible for dairy indicated that they were not available during the last quarter of 2017 and advised to be visited early in 2018.

#### **Planned remedies for non-achievements / underperformance**

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

#### **Goal 6 - Conduct two seminars for project beneficiaries and other relevant stakeholders to improve their knowledge, skills and competencies**

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

See **Goal 1** above

##### **Reasons for non-achievements / underperformance**

##### **Planned remedies for non-achievements / underperformance**

Three workshops were held in Free State, Kwazulu-Natal and North West Provinces to address knowledge, skills and competencies of project beneficiaries and their enterprises assistants.

##### ***Non-achievements / underperformance***

Two seminars could not be arranged with the general stakeholders.

##### ***Reasons for non-achievements / underperformance***

The non-achievement was due to a lack of time and availability of general stakeholders.

##### ***Planned remedies for non-achievements / underperformance***

Letters have been sent to the all provincial heads of department of agriculture and copied the person responsible for dairy development if the person was known. A questionnaire to collect information of dairy enterprises was sent out together with the letter from the National Agricultural Marketing Council in connection with the collection of data on Black dairy enterprises

## **Income and expenditure statement**

Income and expenditure statement	<a href="#">Annual Report 2016.docx</a>
Unnecessary spending during period	No

## **Popular Report**

[Annual Report 2016.docx](#)

## **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