



ENTERPRISE DEVELOPMENT

(PRJ-0315-2022)

Milk SA

Year 2022/2022 (January 2022 till December 2022)

Project goals

Goal 1 - Monitor existing Milk SA approved small holder Black dairy commercialization enterprises.

Achievements

During the year under review, monitoring continued to focus on dairy herd health, breeding, milk production, fodder flow, animal feeding, and business record keeping. Advice to entrepreneurs was given based on actual circumstances of their enterprises.

On average over the period, there were eight hundred twenty-seven (827) cows in milk. Farmers supplied 2 909 002 kilogrammes of milk to processors or consumers. Compared to 2021, the number of cows in milk increased by 0.21%, resulting in an increase of 1% in milk volume.

During the year under review, 15 beneficiaries were visited at Delareyville, Dewetsdorp, Dundee, Harrismith, Indwe, Matatiele, Senekal, Tweespruit, Vereeniging, Welkom, and Wepener. The visits were undertaken to assess the circumstances of each enterprise, particularly the fodder flow situation. There were thirteen farmers out of nineteen who planted maize for silage ranging from five to fifty-eight hectares. During the visit, farmers complained about too much rain preventing them from entering their fields which affected the flow of feed to their farms during the year. However, the majority of farmers (17) planted oats and Japanese radish.

There were about 120 mature cows that died from diseases such as lumpy skin, red water, and gall sickness during the year under review. Furthermore, a farmer lost around 36 cows that were stolen and never found. It was strongly recommended that beneficiaries consult their local veterinarians for information regarding vaccination programmes and dairy herd disease management programmes. Beneficiaries would have been able to manage their farms' mortality rate with the implementation of total dairy herd health management. Various measures have been recommended to minimize animal theft around farms, such as electric fences and cameras. Further, beneficiaries were encouraged during regular monitoring and evaluation meetings to consider livestock insurance that will cover loss due to theft and disease.

The major challenges which farmers identified during the year under review were as follows:

- a) Adverse weather conditions of either too much heat or waterlogging adversely affected the planting and / or harvesting of crops planted for either silage or winter pastures. This adversely affected both the quality and availability of fodder.
- b) Access to veterinary services remains a challenge due to the shortage of state veterinarians and the high cost of private veterinarians. This was worsened by poor road conditions and a lack of transportation and equipment among state veterinarians.
- c) Load shedding negatively affects the quality of milk for farmers who do not have a backup power supply.
- d) The lack of farm machinery such as tractors negatively affected farm operations. This is because some farmers could not plant in time or plant at all due to a shortage of private ploughing services.

- e) Cow mortality was high due to diseases such as lumpy skin and red water
- f) Breeding was a serious problem on some farms because bulls were either old or infertile.
- g) Stock theft and vandalism of farm property were still rampant where beneficiaries are running their dairy businesses.
- h) Fire outbreaks on two farms of beneficiaries burned the grazing land and left farms without fodder.

As reported previously, management of cooperative enterprises still remained a challenge: a sense of ownership and thus commitment to the success of the enterprise is lacking in cooperatives compared to family-owned enterprises. Moreover, enterprises owned by elderly entrepreneurs without the involvement of their children or young committed employees face a risk of business continuity in the near future. All entrepreneurs were advised to implement succession planning for their enterprises to ensure future continuity and sustainability.

No Non-achievements / underperformance has been reported

Goal 2 - Deliver pregnant heifers to new and existing black dairy enterprises depending on compliance with Milk SA criteria and beneficiary counter performance. This expenditure includes veterinary services.

Achievements

One of Milk SA's strategies is to promote economies of scale, competitiveness, and sustainability is to supply certified pregnant heifers. In the year under review, 305 pregnant heifers were delivered to nine out of 21 beneficiaries. This delivery was 268% higher than a total of 80 pregnant heifers delivered in 2021. Sixty-five (65) of 305 pregnant heifers were shared by four Milk SA recipients as part of the accelerated development plan, and 9 were given to a new beneficiary. Six of the above-mentioned eight beneficiaries received 150 heifers on a 25%:75% cost-sharing basis between them and Milk SA. The remaining 79 heifers were delivered to three of the eight beneficiaries on a cost-sharing basis of 40%: 60% between each beneficiary and Milk SA. Additionally, Milk SA delivered four bulls to two of these eight beneficiaries at a cost-sharing ratio of 25%:75% between them and Milk SA respectively.

No Non-achievements / underperformance has been reported

Goal 3 - Fodder flow improvement on farms to ensure properly fed animals, good milk production, regular breeding and effective calf rearing.

Achievements

Adequate fodder flow is very important for a dairy cow to be productive, provided other critical inputs are adequate. Milk SA project beneficiaries were advised regularly to support good quality fodder flow. This could be achieved through planting of maize for silage, winter pasture planting, and purchases of extra fodder and dairy meal concentrates, depending on the on-farm feed situation. In order to minimize shortage of fodder on farms, the plan is to assist farmers to establish permanent pasture, on a cost sharing basis.

During the year under review, no permanent pasture was established on a cost-sharing basis because most farms lacked underground water for irrigating pastures but seven beneficiaries received assistance with soil analysis and recommendations on the suitability of specific pasture or maize silage planting.

Non-achievements / underperformance

No permanent pasture was established.

Reasons for non-achievements / underperformance

We were still waiting for the underground water potential results by experts and farmers could not raise enough money to make their contributions to the cost of establishing permanent pasture with irrigation.

A total of 721.5 tonnes of lucerne was delivered to sixteen beneficiaries during the year under review. The quantity delivered per farmer ranged from 5 tonnes to 40 tonnes per farmer. Most of the beneficiaries (56% of 16 out of 21 project participants) who bought lucerne saw an increase in milk volume, compared to those who did not take advantage of the Milk SA lucerne subsidy. Of the total lucerne delivered, 260 tonnes were on a 30%:70% cost sharing basis with Milk SA, 381.5 tonnes were on a 25%:75% cost sharing basis, and 80 tonnes were on a grant basis to two beneficiaries whose grazing farm camps were destroyed by fire. The total amount of lucerne delivered during the year under review was 85% higher than that of 2021.

1. A total of 598.28 tonnes of dairy meal concentrate were also delivered to fourteen of the 21 beneficiaries. Depending on the farmer, the quantity delivered ranged from 8 tonnes to 87 tonnes. A total of 95 tonnes, 105 tonnes, and 368.28 tonnes of the dairy meal were delivered under a cost sharing arrangement between the beneficiary and Milk SA at a ratio of 40%:60%, 30%:70%, and 25%:75%, respectively. Due to a fire outbreaks, 30 tonnes were granted to two beneficiaries whose grazing lands were destroyed. We insist on cost sharing to promote an entrepreneurial mind-set and to protect Milk SA's scarce resources against misuse without accountability.

Planned remedies for non-achievements / underperformance

We are assisting farmers to raise money through the bank and we have approached pasture experts to get advise on what permanent pasture could be planted under dry land.

Goal 4 - Supply critical enterprise on- farm infrastructure and affordable processing equipment.

Achievements

Adequate and appropriate infrastructure is critical for the optimal operation of an enterprise. Milk SA supports infrastructure investment on a cost sharing basis after the initial basic grant, which is 100% born by Milk SA has been offered. Actual support of infrastructure is also dependent on the available funds as Milk SA resources are very limited.

During the year under review, a cow-holding pen and workers' accommodation with a kitchen and ablution facility were constructed for one beneficiary on a 25%:75% cost sharing basis between the beneficiary and Milk SA. Moreover, the same beneficiary was assisted in switching from a windmill to a solar energy pump. Construction on workers' accommodation for another beneficiary began towards the end of 2022 quarter 4 and should be completed by 2023 quarter 1. Permanent pasture establishment under irrigation could not be implemented pending financial support approval by development financial institutions. Also, most farms lacked underground water for irrigating pastures. Experts on irrigation infrastructure were engaged and recommended conducting water assessments on farmers before investing in irrigation infrastructure such as centre pivots on farms. One beneficiary whose farm is nearby the river was advised to engage the local department of agriculture regarding the issue of water rights. Another beneficiary had a water assessment expert to be informed on the suitability of a specific irrigation infrastructure on the farm.

No Non-achievements / underperformance has been reported

Goal 5 - Capacitate new and existing black dairy entrepreneurs and their workers in critical dairy enterprise / business competencies and dairy processing-Milk SA resources and external professionals. All costs included.

Achievements

During the year under review, a total of nine Enterprise Development meetings were held with project beneficiaries in Bloemfontein, Harrismith, and Senekal. Meetings in Bloemfontein were attended by farmers from Dewestdorp, Tweespruit, and Wepener with a total of twelve attendees. Meetings at Harrismith were attended by farmers from Harrismith, Dundee, Swartberg, and Indwe, with a total number of eighty-two (82) attendees. Meetings at Senekal were attended by farmers from, Senekal and Welkom with seven (7) attendees.

The meetings covered the following aspects:

- a) Historical milk production;
- b) Fodder flow;
- c) Artificial insemination training;
- d) Milk SA special support on a 25%:75% cost sharing basis;
- e) Private veterinary services support by Milk SA;
- f) Soil sampling and testing;
- g) Nestle SA sustainability programme;
- h) Free State DALRRD applications for farmers support; and
- i) Dairy business support: letters to their respective banks and
- j) Blended funding.

During the year under review, there was no formal workshop convened with external professionals but seven (7) project beneficiaries including the Milk SA Transformation Department attended a conference on Dairy Farming in SA for Sustainability & Profitability, convened by KPR conferences and Trading (Pty) Ltd. During this conference, the Transformation Manager made a presentation regarding the background of the transformation of the dairy industry in South Africa. The presentation highlighted, amongst other things, the following aspects: -

- a) Milk SA is a Section 21 Company (Non-profit Company) comprising Milk Producer's Organisation (MPO) and the South African Milk Processors Organisation (SAMPRO)
- b) Milk SA's mission is to promote the image and consumption of South African dairy products amongst consumers and the broader population; and to develop the dairy industry through rendering of value-added services to industry participants, consumers, and the broader South African population. Specifically Milk SA promotes dairy industry growth, promotes international competitiveness, provides market signals to role-players, creates confidence in dairy products, and promotes equitable transformation.
- c) Milk SA's vision is to promote a healthy South African dairy community.

Non-achievements / underperformance

Planned workshop on smart and sustainable agriculture could not take place because the identified expert who was to conduct training was overcommitted.

Reasons for non-achievements / underperformance

The identified expert who was to conduct training was overcommitted.

Planned remedies for non-achievements / underperformance

Milk SA has identified another AgriSeta accredited person whom we believe could do the job, if the previously identified person is still not available.

- d) Current product and levy rates as sources of Milk SA funds were shared with conference participants.
- e) Milk SA's transformation mission is to facilitate the establishment of profitable black dairy entrepreneurs by ensuring business competency development, access to loan finance, access to support services, reduction of constraints, and exposure to the dairy industry.
- f) Milk SA's transformation vision is a sustainable dairy industry development that reflects demographics of South Africa.

The following aspects were covered by experts during the conference:

- i. Participation of youth in agriculture;
- ii. Funding opportunities;
- iii. The economic aspect of dairy farming;
- iv. Purchasing a dairy farm and the aspects to consider
- v. Calves rearing;
- vi. Feeding and fodder management;
- vii. Reproduction system of the dairy cow and bull;
- viii. Artificial insemination vs natural breeding;
- ix. Bull selection, genetic aspects, and genetic improvements;
- x. Diseases;
- xi. Fodder flow and pasture management;
- xii. The importance of soil testing and analysis;
- xiii. Milking parlour, cold chain requirements and management programmes;
- xiv. Dairy hygiene.

Goal 6 - Coordinate and liaise with Government at all levels -AgriB-EE Council meetings, Marketing Forum and provincial officers and all private stakeholders.

Achievements

Coordination of transformation activities with other relevant stakeholders is of critical importance to ensure that maximum synergy is achieved, resources are used optimally and that project participants are not confused. Nonetheless, effective coordination is dependent on a common vision among stakeholders. During the year under review, a number of engagements were made with institutions and persons indicated below in pursuing Milk SA's transformation goal.

6.1 National Agricultural Marketing Council (NAMC)

During the year under review, engagements between NAMC and Milk SA were as follows: A team of two personnel from the National Agricultural Marketing Council (NAMC) was taken to see Milk SA's project beneficiaries at Dewetsdorp, Harrismith, Senekal, Tweespruit, Vereeniging, Welkom, and Wepener to assess performance and challenges which were being experienced by beneficiaries. This was done in order to advise the Minister of Agriculture on Milk SA's progress on transformation and to assess the opportunity of promoting agro-processing activities amongst black-owned dairy enterprises.

A webinar convened by the NAMC on Agricultural and Food Systems Resilience: Increasing Capacity & Advising Policy (AFRICAP) policy dialogue was attended by both the Transformation Manager and Transformation Officer. The experts recommended that farmers be well-trained in all the skills that are necessary for climate-smart and sustainable agriculture development in order to minimize and cope with the effects of climate change. The importance of environmental conservation in agricultural practices was highlighted as being both an influential factor in protecting the environment and reducing the impact of climate change on agricultural systems as well as the contribution of agricultural practices to greenhouse gas emissions by using sustainable land management.

The NAMC questionnaire regarding the Milk SA transformation project was completed and submitted. The purpose of the questionnaire was to gather information for monitoring and

evaluating the status of the Milk SA transformation project to ensure the transformation funds yield the intended benefits for the targeted beneficiaries. This exercise is performed annually and the NAMC Transformation status report will be produced based on the information provided. As reported during quarter 4 of 2021, Milk SA was advised to submit its skills development proposal for its transformation beneficiaries to the NAMC. The NAMC will match rand to rand with Milk SA for the cost of developing entrepreneur skills related to climate-smart agricultural practices, marketing and distribution, agro-processing, and entrepreneurship skills amongst transformation project beneficiaries. During the year under review, the NAMC and Milk SA have been engaging each other on amendments to the memorandum of understanding (MOU) regarding Agri-SETA skills funds. The MOU will be signed as soon as both parties are happy with proposed amendments to the MOU; which MOU has already been signed between Agri-SETA and the NAMC.

Another meeting took place between Milk SA and NAMC during the year under review to discuss Milk SA's transformation initiative progress and to share challenges experienced by current beneficiaries. One of the major challenges facing the dairy industry is the lack of provision of veterinary services and an effective breeding programme. In order to address some of the challenges facing the dairy industry transformation initiatives, the NAMC facilitated engagement between ARC and Milk SA. The meeting eventually took place among the ARC, Milk SA and the NAMC to enhance the existing partnership between Milk SA and ARC towards supporting the South African dairy industry transformation programme. During the meeting, Milk SA expressed its desire for an effective breeding programme to ensure that at all times at least 80% of mature cows are in milk. However, there were challenges relating to the breeding programme and the unavailability of veterinarians. The meeting resolved that Milk SA and the ARC should engage further in the future to share more specific information on the challenges that needed to be resolved. Efforts are currently being made to engage ARC on the way forward. The NAMC further expressed their desire to visit some project beneficiaries to expose their new Transformation Review Committee members. A visit will be scheduled as soon as NAMC confirms its availability during the course of 2023.

6.2 Agricultural Research Council (ARC)

Agricultural Research Council (ARC) Smallholder Empowerment Promotion (SHEP) approach webinar hosted by ARC in collaboration with DALRRD, NAMC, and the Japan International Cooperation Agency (JICA) was attended by both the Transformation Manager and the Transformation Officer. It was learned that SHEP approach was geared towards assisting smallholder producers to increase their income by means of capacitating them to better manage group dynamics and improving production through various techniques, such as knowing the market requirement before they start to produce.

6.3 Department of Agriculture, Land Reform and Rural Development (DALRRD)

During the year under review, engagements between Milk SA and DALRRD were as follows: A meeting took place between Milk SA and DALRRD to discuss the following aspects: the transformation of the South African dairy industry, partnership of stakeholders involved in dairy development, state veterinary services for black-owned dairy enterprises, and land reform dairy farms. It was learned that there was a lack of partnership between provincial departments and Milk SA towards supporting dairy enterprises due to their complexity and capital intensity. However, the DALRRD agreed that they would co-ordinate the provision of agricultural extension services throughout the provinces including the areas where Milk SA's transformation projects are located.

Another meeting took place between Milk SA and DALRRD during the year under review. The purpose of the meeting was to discuss Service Level Agreement between Milk SA and DALRRD for supporting new potential dairy projects. The DALRRD would like to form a strategic partnership with Milk SA to support the development of six potential projects on their database. Milk SA had expressed its interest to conduct a situational analysis of any projects to be shared by DALRRD in order to make an informed decision on whether to intervene in the development of these projects or not. Milk SA is waiting for DALRRD communication regarding the above-mentioned six projects.

The Agri-BEE Fund Directorate also met with Milk SA to discuss funding opportunities. A site visit was then conducted to one of the Milk SA transformation beneficiaries in the Free State Province. The visit was conducted to assess the potential of the project for support of agro-processing by the DALRRD's Agri-BEE Fund Directorate. The site visit was also attended by Absa Bank, Capital Unlocked, and the Provincial Department of Agriculture. During the site visit,

all stakeholders took the following resolution to support the project:

- a. Milk SA, Absa, and Capital Unlocked would be involved in the project to support raw milk production.
- b. DALRRD's Agri-BEE Fund and Fencorp would be involved in funding/supplying agro-processing facility and equipment; and
- c. Milk SA would obtain a business plan from SprayCo for forwarding to the Agri-BEE Fund directorate for their consideration.

6.4 Dairy Standard Agency webinar

In the year under review, both the Transformation Manager and Officer attended two of the Dairy Standard Agency webinars. The first webinar was focused on Foot and Mouth Disease (FMD). It was learned that it is the responsibility of every member of the industry to report any suspected FMD cases and put in place proactive measures to mitigate the risk of spreading FMD around the country. The second webinar shared information on some of the significant aspects of the microbiology, epidemiology, and host-pathogen interactions of E. coli in animals from a One Health perspective addressing animal and environmental reservoirs and proposing interventions targeted at pathways of transmission to optimize effective prevention and control measures. In both webinars, quality hygiene and vaccination of animals were mentioned as crucial elements to ensure total dairy herd health management.

6.5 Marketing Forum

In the year under review, both the Transformation Manager and Officer participated in three marketing forum meetings through Microsoft Teams. Several issues such as the following were discussed at these meetings:

a) SAGAP performance report

The main goal of the SA-GAP Certification Programme is to assist smallholder producers of fresh produce to access both local and international markets by producing premium quality products that comply with food safety and quality standards as required by the market. The DALRRD is trying to assist as many farmers as possible to obtain SAGAP certificates. This will enable them the opportunity to sell high-quality products that meet global standards on local and international markets. PPEECB reported on the progress of SAGAP certification across provinces during all of these meetings.

b) Capacity building

DALRRD has a capacity-building program that aims to build agribusiness competencies through workshops that provide market information regarding specific agricultural commodities. This program is run across all provinces. During the marketing forum meetings, all developments related to their capacity-building programme were reported on constantly.

c) AGRIBEE FUND

The Agri-BEE fund was still being discussed during the marketing forum meetings, and farmers were still invited to apply.

6.6 Free State Agri-BEE Council

One meeting was attended to in Bloemfontein and the council was assisted to develop a questionnaire to promote objectivity in dealing with agricultural transformation issues. Furthermore, a conference on small business development was also attended and the emphasis on supporting true entrepreneurs was made. Two of our project beneficiaries were introduced to the department of economics, small business development, tourism, and environmental affairs (DESTEA). These two beneficiaries are now getting attention for support from DESTEA.

6.7 FANRPAN

A meeting of the Transforming Irrigation in Southern Africa (TISA) Climate Smart Agriculture Policy Dialogue was attended by both the Transformation Manager and the Transformation Officer. The meeting discussed the preliminary program for the 2023 FANRPAN TISA dialogue. A goal of this dialogue is to collect evidence of CSA's importance in fostering resilient farming communities so government policies and multilateral climate change initiatives can be informed. Milk SA was requested to communicate with FANRPAN on whether they would be able to participate in the dialogue. In addition, they were requested to share their dairy industry experiences regarding climate change in agriculture.

6.8 Private Veterinary Services

A meeting was held between Milk SA and a private veterinarian at Harrismith. It was intended to discuss Milk SA's needs for a private vet to provide veterinary services to Milk SA beneficiaries at Harrismith after a request for one was made. The private veterinarian acknowledged Milk SA's request for assistance and expressed willingness to assist. The vet also advised Milk SA to secure a community compulsory services veterinarian, and further requested a list of farmers, their contact details and their locations in order to start familiarizing herself with the farmers.

6.9 National Treasury: Jobs Fund webinar

A webinar hosted by Jobs Fund was attended by both the Transformation Manager and Officer. The webinar was primarily focused on sharing the success and impact of the Jobs Fund on capacitating the South African primary healthcare sector through social franchising.

6.10 Family Net Group Milk Needs

A meeting was held between Family Net Group and Milk SA. The Family Net Group was looking for raw milk suppliers so that they could resell it to their customers. The Family Net Group was informed that most of the Milk SA dairy farmers were committed to their milk buyers. As a result, Milk SA offered to connect the Family Net Group with any upcoming farmer without a market for raw milk.

6.11 Nedbank

A meeting took place between Nedbank and Milk SA. The purpose of the meeting was to discuss and share common interests between Nedbank and Milk SA regarding the empowerment of black-owned enterprises in the dairy industry. The two personnel from the Nedbank have highlighted that the Nedbank has agricultural empowerment solutions and that they would like to partner with industry associations and stakeholders for them to gain better insight into the industry and challenges facing, and can, therefore, provide information and solutions that could help to address identified challenges and optimise opportunities. Nedbank would like to support growth in the agricultural sector and to support black farmers to be sustainable.

6.12 NAMPO 2022

NAMPO Harvest Day 2022 was attended by both Transformation Manager and Transformation Officer. The purpose of the visit was to engage with Nedbank as invited, and meet some of the project beneficiaries together with some suppliers of moveable agricultural farming inputs which farmers were planning to buy with Milk SA support'. One of the positive outcomes of the visit is that one of the honest suppliers of irrigation equipment advised us that centre pivot could not be bought unless there is a certainty of water volume. They had an opportunity to meet and engage with various exhibitors and other role players in the agricultural industry to learn about the latest technology and products on offer in the farming industry, not only in South Africa but around the world.

6.13 Milk buyer

A meeting with a milk buyer at Dundee area, KwaZulu-Natal Province also took place to discuss one of Milk SA's transformation beneficiaries' milk production performance, challenges experienced, and possible solutions to improve enterprise performance. The milk buyer indicated that they would like to see an improvement in milk quality and volume from the beneficiary. The main challenge of the beneficiary was the lack of fodder flow as they could not cut maize that was planted for silage due to waterlogging. They were planning to buy maize silage from another farmer at Ladysmith but the price was out of affordability.

6.14 UMzinyathi District Development Agency

A meeting took place between UMzinyathi District Development Agency (UDA) in KZN and Milk SA to discuss the empowerment programme that UDA has for black-owned dairy enterprises in UMzinyathi District, KwaZulu-Natal Province. It was learned that the UDA had already assisted one farmer who is part of Milk SA's sustainable commercialisation smallholder dairy enterprises programme by taking over the project from the initial funder. The UDA would like to form a partnership with Milk SA in order to support the current project and other dairy farms that would emerge around UMzinyathi District in the future.

6.15 Irrigation infrastructure supplier In an effort to assist farmers to establish permanent pasture on their farms, a meeting took place between Milk SA and the supplier of the centre pivot irrigation system to get more information. It was learned that a centre pivot irrigation system requires a farmer to have sufficient water around the farm. It was also advised that farm assessment regarding the suitability of the centre pivot irrigation needs to be done by an expert before centre pivot irrigation infrastructure is installed on the farms.

6.16 Potential new beneficiaries

A number of engagements were held with new potential project beneficiaries during the year under review in different provinces as indicated below:

a) Another potential project at Sedibeng District Municipality in the Gauteng Province was also met twice during the year under review. The farmer was advised to secure an economically viable farm size before any final decision could be taken on whether to recommend him to be part of the Milk SA transformation programme because he was operating on about five hectares. The farmer indicated that he had already started looking for economically viable land size and would notify Milk SA as soon as the land is found and secured.

b) Other three meetings were held at Giyani, Mokopane, and Smithfield respectively and each farmer was advised either to go to development financial institutions.

c) Another potential farmer in the Eastern Cape was advised to look for quotations for his enterprise needs pending consideration of his participation in the Milk SA Transformation programme by the Internal Management Committee.

PARLIAMENTARY QUESTIONS

The Transformation Manager was approached to assist regarding the parliamentary question below: -

“What steps has she and/or her department taken to support South African milk producers by ensuring that (a) rising costs in the sector do not contribute to food insecurity in the Republic and (b) milk remains affordable for the poorest in society”?

The dairy industry, like many other industries, is under pressure due to cost increases which are to a large extent, the result of developments in the international market;

b) The dairy industry, like many other industries, is hamstrung by the slow economic growth in South Africa, and the Government is given high priority to actions aimed at promoting economic growth;

c) The dairy industry is one of the most demanding and complex industries, as its production processes are continuous (24 hours a day, 365 days a year) and due to the huge number of different scientific fields, which are relevant;

d) The dairy industry participates in the Agricultural and Agro-Processing Masterplan initiative. In terms of this initiative, various actions to improve the competitiveness and growth of the dairy industry and other industries were identified and are attended to; and

Through regulation implemented by the Minister, in terms of the Marketing of Agricultural Products Act and which is administrated by Milk SA, of which the members are MPO and SAMPRO, a variety of actions are taken to improve the competitiveness and development of the dairy industry. These actions are in respect of issues such as:

a. Consumer education;

b. Promotion of the quality of dairy products;

c. Research especially aimed at resolving theoretical challenges;

d. Market signals to promote the effective working of markets;

e. Support for small black enterprises in the dairy industry;

f. Food safety and compositional standards; and

g. International trade and international trade agreements.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	Revised 2022 Budget Board 04 Oct 2022 .pdf
Unnecessary spending during period	No

Popular Report

[EDITED E D Annual Report 2021 02 March 2022 \(1\).pdf](#)

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