



ENTERPRISE DEVELOPMENT

(PRJ-0315-2022)

Milk SA

Quarter 4 2022/2022 (October 2022 till December 2022)

Project goals

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

Achievements

Sustainable Commercialization Project came into being as a result of 2006-2009 Milk SA statutory levy surplus funds. Its objective is to promote competitiveness, profitability and sustainability of existing small black owned dairy enterprises by contributing to the reduction of commercial venture impediments. In order to augment the statutory levy surplus funds, Milk SA Transformation Manager successfully applied for grant funding from the Jobs Fund programme and secured R10.35M. Below follows Q4 2022 report on the objectives set for 2022.

During the period under review monitoring focused on milk production, fodder flow, animal feeding, and business activities record keeping of twenty-one project beneficiaries operating in the Eastern Cape, Free State, Gauteng, KZN, and North West Provinces. There were 843 cows in milk in total, which was increased by 15% compared to 2022 quarter 3 (732 cows). Milk volumes increased by 29% from 677 558 kilogrammes during 2022 quarter 3 to 873 161 kilogrammes of milk delivered to buyers of raw milk during the period under review. Compared to 2021 Q4, cows in milk were up by 3% from 817 to 834. As a result of this dairy herd increase, milk volume also rose by 2% from 858 338 kilogrammes to 873 161 kilogrammes.

During the period under review, regular monitoring and evaluation meetings were held with the current beneficiaries at Bethlehem, Harrismith, and Senekal. Meetings discussed the following topics: Milk SA's special support for cows and feed on a 25%:75% cost sharing basis, veterinary services, feedback on soil sampling and testing, artificial insemination training, Milk SA's final decision on whether to support planting of maize for silage or not, and letters of dairy business support to their respective banks. Farmers were encouraged to consult their local veterinarians for information on the vaccination programme and dairy herd disease management programme relevant to their respective areas. The critical challenges that faced beneficiaries

during the period under review were as follows:

Public veterinary and extension services were still non-existent;

Load-shedding still negatively affected milking times and milk quality of farmers who did not have a backup power supply;

Cow mortality was high due to diseases such as lumpy skin and red water; and

Stock theft was still rampant-one farmer has shot dead a thief and hurt another one who were found enchaining an animal on his farm during the night.

An independent veterinarian visited the Milk SA beneficiary at Dundee to conduct pregnancy tests, assess body condition scores, conduct a post-mortem, and assess dairy herd health. The beneficiary was advised to ensure that the cows were getting the right amount of feed every day. A pest management system must also be implemented on that particular farm in order to prevent the spread of fleas and ticks.

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

During the period under review, 105 pregnant heifers were delivered to three beneficiaries each receiving 40, 35 and 30 respectively. Between the two farmers who each received 40 and 35 heifers respectively, they were also given 10 and 15 heifers as a grant respectively as part of accelerated development. Two bulls were also delivered to one beneficiary on a cost-sharing basis of 25%:75% between the beneficiary 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 are advised regularly to ensure that they have sufficient fodder flow of good quality. This is achieved through proper fodder flow management plan including planting of maize for silage, winter pasture planting and purchases of extra fodder and dairy meal concentrates depending on the feed situation. In order to minimize shortage of fodder on farms in the medium to long term, the plan is to assist farmers to establish permanent pasture on a cost sharing basis. During the period under review, no permanent pasture on a cost-sharing basis was established but seven beneficiaries were assisted with soil analysis and recommendations. Two hundred and seventy-three (273) tonnes of lucerne were delivered and

shared among five beneficiaries while 148.5 tonnes of dairy meal concentrate were delivered and shared among four beneficiaries on a 25%:75% cost-sharing basis between the beneficiary and Milk SA respectively

No Non-achievements / underperformance has been reported

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

Achievements

During the period 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.

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

There were no formal workshops conducted during the period under review but beneficiaries were constantly reminded of fodder flow management, dairy herd health management, fodder flow and feeding and business activities record keeping to ensure efficient production, productivity and business profitability eventually.

No Non-achievements / underperformance has been reported

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 our project beneficiaries / participants are not confused. Nonetheless, effective coordination is dependent on a common vision amongst stakeholders. During the period under review, engagements were made with the institutions/persons indicated below.

National Agricultural Marketing Council (NAMC)

Milk SA and NAMC met during the period under review to discuss Milk SA's transformation initiative progress and share challenges experienced by current beneficiaries. One of the major challenges facing the dairy industry is the provision of veterinary services and an effective breeding programme. In order to address some of the challenges facing dairy industry transformation initiatives, the NAMC agreed at that meeting to facilitate engagement between ARC and Milk SA.

The NAMC coordinated the meeting which took place between Milk SA, NAMC, and ARC. The meeting intended 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 unavailability of veterinarians. The meeting resolved that Milk SA and 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.

Currently the NAMC and Milk SA are 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 has already been signed between Agri-SETA and the NAMC.

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 learnt 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.

DALRRD's Agri-BEE Fund Directorate site visit to Milk SA transformation beneficiary

DALRRD's Agri-BEE Fund Directorate and Milk SA visited Milk SA's transformation project beneficiary in Welkom, Free State Province. Absa Bank, Capital Unlocked, and the Provincial Department of Agriculture were also party of the site visit. The visit was conducted to assess the potential of the project for support of agro-processing by the DALRRD's Agri-BEE Fund Directorate. All the stakeholders engaged during the site visit and took the following resolution

towards the support of 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 Agri-BEE Fund directorate for their consideration.

Dairy Standard Agency webinar

A webinar conducted by the Dairy Standard Agency was attended by both Transformation Manager and the Transformation Officer. The 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. Quality hygiene and vaccination of animals were mentioned as crucial elements to ensure total dairy herd health management.

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 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 with climate change agriculture.

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.

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.

8. 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

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

[Q4 Popular Report 20 January 2023 MGR.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