



***Enterprise Development***  
(PRJ-0356-2023)  
***Godfrey Rathogwa***

***Quarter 1 2023/2023*** (January 2023 till March 2023)

**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 Q1 2023 report on the objectives set for 2023.

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 836 cows in milk, a decline of 1% from quarter 4 of 2022 (843 cows). Volumes of milk delivered to raw milk buyers declined by 15% from 873 161 kilogrammes in quarter 4 of 2022 to 743 288 kilogrammes during the period under review. Compared to 2022 Q1, cows in milk were up by 9% from 768 to 836. There was, however, a 2% drop in milk volume from 756 688 kilogrammes to 743 288 kilogrammes.

Regular monitoring and evaluation meetings were held with the current beneficiaries at Harrismith and Senekal. The topics covered during the meetings were: Veterinary services, 2023 Milk SA farmer support, farmers' training needs, risk and mitigation strategies, monthly farmer reporting, breeding programme, milk production performances, and cow and calf mortality. Farmers were strongly reminded to consult their local veterinarians for information on vaccination and disease management programmes in their respective regions. Farmers were further advised to also invest in and implement an integrated dairy herd health management programme to avoid disease-related losses of animals and potential income.

Beneficiaries faced the following challenges during the period under review:-

- a. Adverse weather conditions such as too much heat and waterlogging negatively affected both planting and harvesting of crops planted for silage or winter pastures and consequently negatively affecting both the quality and availability of fodder for animals;
- b. Load shedding affected milking schedules and milk quality of farmers without backup power;
- c. Cow mortality was high due to diseases such as gall sickness and red water; and
- d. Public veterinary and extension services were still non-existent.

### ***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***

Twenty-five (25) pregnant heifers were delivered to two beneficiaries during the period under review on a cost-sharing basis of 25%:75% between beneficiary and Milk SA respectively. The first beneficiary received 15 heifers, while the second beneficiary received 10 heifers. There has been an order for thirty (30) cows for two beneficiaries to be delivered during April-June 2023.

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

#### **Goal 3 - Fodder flow improvement on farms- including fodder at the time of pregnant heifer delivery to maintain conditions of pregnant heifers**

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

Adequate fodder flow is critical 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 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, the plan is to assist farmers to establish permanent pasture on a cost sharing basis. There was no permanent pasture established on a cost-sharing basis during the period under review, but ninety-nine (99) tonnes of dairy meal concentrate and fifty-nine (59) tonnes of lucerne were delivered to five and three beneficiaries out of twenty-one participants, respectively, on an equal cost-sharing basis between the beneficiary and Milk SA. Moreover, one beneficiary was assisted to cut seven hectares of maize for silage on an equal cost sharing basis with Milk SA. Five beneficiaries have engaged a professional silage cutter to assist them in the second quarter of 2023.

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

## **Goal 4 - Supply critical enterprise on- farm infrastructure including affordable processing equipment**

### ***Achievements***

There was no supply of critical enterprise on-farm infrastructure including affordable processing equipment during the period under review.

***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 including dairy processing - Milk SA resources and external professionals**

### ***Achievements***

There were no formal workshops conducted during the period under review but beneficiaries were advised telephonically, and verbally during farmers' group meetings and individual farm visits.

***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).**

There were two meetings between the National Agricultural Marketing Council (NAMC) and Milk SA during the period under review. In the first meeting, Milk SA discussed its progress in empowering black-owned dairy farmers and the challenges they face. The meeting resolved that Milk SA needed to examine the transformation scheme model. Transformation scheme models are part of the master plan implementation framework for agriculture and agro-processing. An informational meeting was held for NAMC to present more details about the Transformation Initiative. The transformation scheme initiative model, which was discussed

during the meeting, promotes the empowerment of black farmers through public-private partnerships. A transformation scheme model is currently being discussed / explored between Milk SA and NAMC.

As reported during the previous quarter, Milk SA submitted a skills development proposal to the NAMC regarding the Agri-SETA skills development fund allocation. Upon acceptance of the proposal, NAMC and Milk SA signed a memorandum of understanding (MOU). Later the NAMC proposed an amendment to the signed MOU, requiring Milk SA to sign the amended MOU. During the review period, a revised MOU was signed between NAMC and Milk SA. Milk SA will conduct training sessions in accordance with the MOU and submits regular training progress reports to the NAMC.

### **Agricultural Research Council**

A meeting between Milk SA and the Agricultural Research Council (ARC) took place during the review period. The meeting discussed how the two institutions could work together to address some of the challenges black-owned dairy farmers face, especially breeding and dairy herd health management. A follow-up meeting will be held shortly to discuss this collaboration and all the procedures before fieldwork begins.

### **The Food Agriculture and Natural Resources Policy Network (FANRPAN).**

During the period under review, the FANRPAN policy dialogue webinar was attended by the Transformation Officer. The objectives of the policy dialogue were to:  
share empirical evidence on the importance of climate-smart agriculture in transitioning to resilient farming communities in Sub-Saharan Africa (SSA),  
develop recommendations on how to build climate-smart and resilient farming systems in SSA at scale and  
Network and promote partnerships and action.

It was learned that Africa's countries depend on rain-fed agriculture due to insufficient water resources and infrastructure. Eventually, this may negatively affect food production to meet the growing population demand. In the dialogue, it was recommended that substantial investments are required to maintain current yields of agricultural produce and to increase production and food quality.

### **Free State Department of Agriculture and Rural Development**

During the period under review, Milk SA met with the Head of the Free State Province's Department of Agriculture, Land Reform, and Rural Development (HOD). Issues such as the unavailability of state veterinarians, issuing of compliance dairy certificates by local authorities, and the establishment of permanent pastures to ensure improved cow productivity and solar power were discussed during the meeting. The meeting resolved that Milk SA share its transformation project background and challenges with the HOD in order to inform him about what is happening on the ground with farmers. It was also agreed that a follow-up meeting would be held soon to discuss how the province could assist farmers in overcoming some of their challenges.

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

### **Goal 7 - Provision of private veterinary services**

#### ***Achievements***

Milk SA has an agreement with an independent private veterinarian to visit eight beneficiaries at Harrismith every three months to conduct pregnancy tests, assess body condition scores, conduct post-mortems, and monitor general dairy herd health. The veterinarian had already established contacts with beneficiaries and scheduled visits to their farms. During the review period, the veterinarian conducted pregnancy tests and assessed dairy herd health on two farms of the eight beneficiaries. One of the two beneficiaries visited by the private veterinarian also had a post-mortem performed on the dead animal. The two beneficiaries visited by the private vet were provided with information on disease management and vaccination programmes, as well as pregnancy status and post-mortem reports.

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

### **Goal 8 - Assist project beneficiaries to improve accommodation and ablution facilities for their workers**

#### ***Achievements***

During the period under review, workers' accommodation comprising **sixteen** bedrooms, **two** kitchens and **six** showers and six toilets was completed on two farms. The contractor started construction work on another farm and the work there is expected to be completed by the end of April 2023. Workers' accommodation work is done on a cost sharing basis of 25%:75% between the beneficiary and Milk SA respectively.

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

## **Income and expenditure statement**

Income and expenditure statement	<a href="#">2023 Budget Codes.pdf</a>
Unnecessary spending during period	No

## **Popular Report**

[Q1 Popular Report 18 April 2023 MGR Final.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