



ENTERPRISE DEVELOPMENT/ COMMERCIALIZATION OF BLACK OWNED SMALL DAIRY ENTERPRISES

(PRJ-0386-2024)

Milk South Africa NPC

Quarter 4 2024 (October 2024 till December 2024)

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 2024 report on the objectives set for 2024.

During the period under review, monitoring focused on milk production, fodder flow, animal feeding, and business activities record keeping of twenty project beneficiaries operating in the Eastern Cape, Free State, Gauteng, KZN, and North-West Provinces. There were 701 cows in milk, with an increase of 11% from the previous Q3 of 2024 (632 cows). Volumes of milk delivered to raw milk buyers also went up by 24% from 590 711 kilogrammes in Q3 of 2024 to 734 466 kilogrammes during the period under review. Compared to Q4 of 2023, cows in milk dropped by 1% from 711 to 701. However, the volume of milk increased by 32% from 558 239 kilogrammes during Q4 of 2023 to 734 466 kilogrammes during the period under review.

As previously reported, the major challenge for most farmers was inadequate fodder flow, and they relied on assistance from Milk SA. This was due to a shortage of irrigation infrastructure, insufficient rainfall during the winter pasture planting period and slow progress to get farming loans from financial institutions.

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

There were no pregnant heifers delivered during the review period. As reported in the previous quarterly report, farmers were informed that pregnant heifers would not be subsidized until sufficient fodder flow was demonstrated on their farms.

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's project beneficiaries are advised regularly to ensure that they had 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. Milk SA's plan was to assist farmers in planting permanent pastures to minimize shortage of fodder on farms, on a cost-sharing basis unfortunately no permanent pastures had been established during the period under review due to lack of irrigation and rainfall. Two hundred eighty (280) tonnes of lucerne were delivered to 13 beneficiaries. The quantity delivered per farmer ranged from 10 tonnes to 40 tonnes. Out of the total lucerne delivered, 260 tonnes were on a 25%:75% cost-sharing basis between project beneficiaries and Milk SA. A total of 20 tonnes was granted to a beneficiary as emergency relief support.

A total of 305,2 tonnes of dairy meal concentrate were also delivered to 14 beneficiaries. The quantity delivered ranged from 10 tonnes to 60 tonnes per farmer. Out of the total dairy meal concentrate delivered, 285,2 tonnes were on a 25%:75% cost-sharing basis between beneficiaries and Milk SA. A total of 20 tonnes were granted to a beneficiary as emergency relief support.

No Non-achievements / underperformance has been reported

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

Achievements

Milk SA assisted two beneficiaries whose farms suffered from water shortage due to power outage, with the installation of solar power systems on a 25%:75% cost-sharing basis during the period under review. The first beneficiary had a solar system and pump installed, but they were not working due to poor installation. As a result, the beneficiary requested Milk SA assistance. She reported that the installation was completed, and the system was functioning properly. For the second beneficiary, the solar panels had already been assembled, but installation was not yet complete. The beneficiary informed Milk SA that the contractor had promised to complete the installation by January 2025. Milk SA also delivered 2 400 litres capacity milk tank to another beneficiary who needed extra storage capacity to comply with buyer requirements on a 25%:75% cost-sharing basis between the beneficiary and Milk SA. The beneficiary informed Milk SA that the tank had been installed and was functioning properly.

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

During the period under review, Milk SA also held an enterprise development meeting with all beneficiaries at Bethlehem to discuss farmers' critical needs, enterprise performance, and challenges. The meeting was attended by farmers from Dewestdorp (1), Harrismith (8), Kaalfontein (1), Matatiele (1), Senekal (1), Tweespruit (1), Welkom (1), and Wepener (1). Farmers expressed their need for solar energy, pasture establishment, bulls, and lucerne and dairy meal concentrate assistance. Farmers were advised to implement dairy expert advices in order for their business to perform better.

JNV Landscaping and Training conducted training on dairy farm record keeping. Twenty-six participants attended the training session representing 16 of the 20 smallholder dairy enterprises. Participants were equipped with critical skills for maintaining accurate and real-time records for dairy herd management, milk production, feed utilization, and financial planning. The training methodology included simulation exercises, real-time data recording, and interactive sessions, ensuring that participants could apply the knowledge effectively in their day-to-day dairy operations. Key outcomes of the training included:

Enhanced understanding of the importance of accurate record-keeping in dairy farming

Development of skills for the practical application of record-keeping templates and tools; and

Improved readiness to implement structured record-keeping practices for operational efficiency and compliance.

According to JNV Landscaping and Training's report, most participants demonstrated

competence during the training. Also, most participants showed readiness to implement record-keeping practices effectively on their farms, particularly in areas of herd management, feeding records, and financial tracking. Overall, the training achieved its objectives, equipping farmers with the tools necessary to enhance operational efficiency, improve decision-making, and align with industry standards for sustainable dairy farming. Further advanced training sessions were requested by farmers to reinforce learning and address individual needs.

During December 2024, five beneficiaries visited New Zealand with Milk SA Transformation Manager to be exposed to, and learn from New Zealand's dairy industry experience. During the trip, beneficiaries visited five farms and two processing plants of different sizes. The main processing plant was focussing on Maori people. The focus of the exposure was on the following:

- a. Fodder flow planning and management,
- b. Balanced feeding for optimal productivity,
- c. Breeding,
- d. Calf rearing
- e. Business record keeping and
- f. Importance of a cooperative culture.

After having been exposed to good dairy practices, beneficiaries confessed that they were not feeding properly because they thought they would save money.

No Non-achievements / underperformance has been reported

Goal 6 - Coordinate and liaise with Government at all levels - AgriBEE 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. Effective coordination is dependent on a common vision amongst stakeholders. During the period under review, engagements were made with the institutions/persons indicated below.

a. Marketing Forum

During the period under review, Milk SA participated in DALRRD's virtual marketing forum. The Department of Agriculture across Provinces presented a progress report regarding the implementation of the marketing strategy, as it had done in previous meetings. Many initiatives targeting market access have been implemented across the provinces, including market

information support and SAGAP/Global GAP accreditations.

b. National Agricultural Marketing Council (NAMC)

A meeting was held between Milk SA and the NAMC Transformation Review Committee (TRC) during the period under review to discuss the 2025 Enterprise Development budget as well as the Accelerated Sustainable Small-scale Dairy Development budget. The TRC acknowledged and approved the 2025 enterprise development and accelerated sustainable small-scale dairy development budgets. In addition, the NAMC requested that Milk SA expose some of their new TRC members to black-owned dairy farmers so they can better understand how Milk SA was empowering them. Arrangements will be made between the two parties for future farm visits.

c. National Department of Agriculture

A bilateral meeting between National Extension Support Services (NESS) directorate of the National Department of Agriculture (NDA) and Milk SA on deployment/collaboration of extension practitioners took place during the period under review. The purpose of the meeting was to discuss implementation of the Commodity Based Extension Approach (CBEA) through the collaboration/deployment of Extension Practitioners to commodity organisations in line with the Agriculture and Agro-processing Master Plan (AAMP). They desire to sign MoU / SLAs with commodity associations, including Milk SA, to implement CBEA, which they believed would benefit both parties through the knowledge sharing, thereby benefiting farmers on the ground. Additionally, the NESS team requested that the Transformation Manager present at their public sector forum on extension and advisory services during the period under review, regarding farmer support initiatives Milk SA had in place to support dairy industry development. However, Milk SA was unable to present as requested during the quarter under review due to other commitments. Milk SA has been requested to make presentation during quarter 1 of 2025.

d. Rural Chamber of Commerce and Industry Conference

During the period under review, Milk SA Transformation Manager and Transformation Officer attended the Rural Chamber of Commerce and Industry Conference. As one of the speakers, the Transformation Manager spoke about Milk SA's efforts to empower black-owned dairy enterprises in the South African dairy industry. The conference provided rural and semi-rural people with the opportunity to network, build connections; and share market, funding, and economic growth information.

e. Department of Water and Sanitation (DWS)

During the period under review, Milk SA worked with the Department of Water and Sanitation to assist eight farmers at Harrismith to acquire water rights. General Authorisations have been issued to farmers in terms of section 39 of the National Water Act No.36 of 1998, and farmers had

already received softcopies of the certificates. The DWS is still preparing registration of certificates that would be handed over together with the original General Authorisations certificates.

f. Potential milk buyer

Two meetings were held at George and in Cape Town respectively during December 2024 to address the pending termination of producers and milk buyer relationship. Discussion with the milk buyer focussed on strategies to ensure that farmers are not left in the cold while the meeting with potential buyer focussed on how milk could be delivered to Moslems in Johannesburg. Further engagements will be pursued with potential buyers of milk and farmers to find a solution before the final date of termination.

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. This is to conduct pregnancy tests, assess body condition scores, conduct post-mortems, and monitor the general dairy herd health situation. During the review period, Milk SA did not receive any veterinarian reports; only two beneficiaries reported contacting her when their cows had problems. The first beneficiary reported that one of her cows had died and the veterinarian conducted a post-mortem, which confirmed that the cow died of ticks since it did not have blood and had white liver tissue. The second beneficiary reported that he phoned the veterinarian because his cow was sick, and the veterinarian confirmed milk fever afterward. Consequently, the beneficiary reported that the cow had died.

No Non-achievements / underperformance has been reported

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

Achievements

Milk SA provided emergency relief during the period under review for building workers' accommodation that included a kitchen, shower, toilet, and urinal to a beneficiary whose farmhouse was destroyed by fire during Q3 of 2024. The contractor had already started construction work but had not yet completed. According to the farmer, the contractor promised to complete the construction during the first quarter of 2025.

No Non-achievements / underperformance has been reported

Income and expenditure statement

Income and expenditure statement	ED INCOME AND EXPENDITURE DEC 2024.pdf
Unnecessary spending during period	No

Popular Report

[2024 Q4 POPULAR REPORT.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