



# **ENTERPRISE DEVELOPMENT/ COMMERCIALIZATION OF BLACK OWNED SMALL DAIRY ENTERPRISES**

(PRJ-0401-2025)

**Godfrey Rathogwa**

**Year 2025** (January 2025 till December 2025)

## **Project goals**

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

#### ***Achievements***

Sustainable Commercialization Project came into being because 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, an annual report on the objectives set for 2025.

During the year under review, there were twenty (20) existing Black-owned dairy enterprises under the Milk SA Transformation Project programme database across the five provinces; EC (2), FS (13), GP (2), KZN (2), and NW (1). Monitoring and evaluation continued to focus on dairy herd health, breeding, milk production, fodder flow, animal feeding, and business record keeping. Advice to entrepreneurs was provided based on the actual circumstances of their enterprises. There were six hundred and twelve (612) cows, on average, in milk during the year under review. Farmers supplied 2 053 755 kilogrammes of milk to processors and consumers. Milk volume declined by six per cent (6%) from 2 177 222 kilogrammes to 2 053 755 kilogrammes. At the same time, the average number of cows in milk dropped by five per cent (5%), from 644 to 612, compared with 2024.

The reason for the drop in milk volume supplied to milk processors and consumers was the lack of milk buyers, or the absence of reliable milk buyers, among the beneficiaries. Beneficiaries in Delareyville, Tweespruit, and Wepener operated during the year under review without formal milk buyers and sold milk directly to local consumers in nearby towns, and at times were forced to reduce milk production to match available local demand and minimise losses arising from milk turning sour after being stored for extended periods on farms without buyers. Eight beneficiaries

at Harrismith were also unable to sell all their raw milk during the festive season because their milk buyer experienced a decline in demand from clients. As a result, beneficiaries had to compromise their milk production, and some litres of milk were stored and subsequently spoiled at the beneficiaries' expense. Consequently, lower milk volumes supplied to milk processors or consumers were recorded by Milk SA, at six per cent (6%) lower than the previous year. Due to the absence of reliable milk buyers to some of the transformation project beneficiaries, Milk SA's milk volume records were compromised, as some beneficiaries did not maintain accurate records of milk sold directly to local consumers. Previously, Milk SA received most milk volume data directly from milk buyers, which provided a more accurate reflection of volumes supplied to the buyers.

Sixteen (16) beneficiaries were visited at Delareyville (1), Dewetsdorp (1), Harrismith (8), Kaalfontein (2), Senekal (1), Tweespruit (1), Welkom (1), and Wepener (1). The visits were conducted to assess the circumstances of each enterprise, particularly the fodder flow situation and dairy herd performance, as well as the challenges beneficiaries were facing on the ground. Findings from these site visits showed that only five (5) beneficiaries had planted a total of seventy-six (76) hectares of maize. The hectares planted for maize silage ranged from eight (8) hectares to thirty (30) hectares per beneficiary. In the end, only two beneficiaries managed to cut maize for silage, each beneficiary cutting ten (10) hectares with the assistance of a professional silage cutter contractor. Two of the above-mentioned five beneficiaries were unable to cut maize for silage due to heavy rains and waterlogged fields, poor maize population, while the third one decided to harvest maize for milling to produce own feed. Most farmers planted wintergreens, ranging from ten (10) hectares to forty-eight (48) hectares per farm. The most common wintergreens planted were grazing sorghum, Japanese radish, and oats, while some beneficiaries also planted teff grass during summer.

Fifty-eight (58) mature cows were reported to have died amongst fourteen (14) beneficiaries due to calving difficulties such as milk fever, injuries, red water, and poisonous plants during grazing. Milk SA Transformation Manager regularly advised all beneficiaries of the Milk SA Transformation Programme project to consult their local veterinarians for guidance on vaccination programmes and integrated dairy herd disease management programmes. Beneficiaries were also urged to contact veterinarians whenever they experienced adverse incidents on their farms and to invest in veterinary services rather than risk losing a cow, which would result in a loss of income and animals.

**Major challenges identified by the beneficiaries during the year under review were as follows:**

**Inadequate fodder flow:** the majority of beneficiaries continued to struggle with inadequate fodder flow due to a lack of irrigation infrastructure, insufficient rainfall during the winter pasture planting period, and slow progress in accessing farming loans from financial institutions.

**Loss of milk buyer:** beneficiaries at Harrismith, Matatiele, Swartberg and Tweespruit lost their milk buyers during the year under review. Fortunately, the Harrismith farmers secured another milk buyer who started collecting milk in May 2025. The milk buyers required higher milk volumes to maintain the contract and ensure favourable prices. Beneficiaries from Matatiele,

Swartberg and Tweespruit were still searching for new milk buyers.

**High cost of electricity:** the majority of beneficiaries expressed concerns over excessive Eskom bills. Three beneficiaries had their electricity supply disconnected for some time during the year under review due to non-payment, forcing them to revert to hand milking. One of these beneficiaries was forced to sell some of the cows to pay the outstanding bill for the electricity supply to be reconnected.

**Stock theft:** One case of stock theft was also reported during the year under review. A beneficiary at Harrismith reported the theft of 14 heifers, which were later recovered at the border of Lesotho.

### ***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 to promote economies of scale, competitiveness, and sustainability of Black smallholder dairy enterprises is to supply certified pregnant heifers. In the year under review, 50 pregnant heifers were delivered to a new beneficiary as the first time support grant. The delivery of the abovementioned pregnant heifers was made possible following an assessment conducted by a livestock agent to verify that the animals were Foot-and-Mouth Disease (FMD) free. The heifers were sourced from an FMD-free area situated in close proximity to the beneficiary's farm, ensuring compliance with animal health regulations and minimizing transportation risks. However, there were no pregnant heifers delivered during the review period to the existing beneficiaries because of lack of sufficient fodder flow, lack of farmer's own financial contribution, foot and mouth disease, poor performance in terms of productivity per cow. The livestock agent could also not supply bulls due to foot and mouth disease (FMD), which negatively affected the availability of animals and restricted animal movement.

### ***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 have sufficient fodder flow of good

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

No permanent pastures were established during the period under review.

##### ***Reasons for non-***

quality. Adequate fodder flow achieved through planting of maize for silage, wintergreens, and purchases of extra fodder and dairy meal concentrates to augment natural grazing. 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 were established during the period under review. This was due to a shortage of irrigation infrastructure and slow progress in securing farming loans from financial institutions. Two (2) beneficiaries were assisted with the cutting of 10 hectares of maize each to make silage, on an equal cost-sharing basis with Milk SA. Thirty (30) tonnes of dairy meal concentrate were delivered to a beneficiary on an equal cost sharing basis between the beneficiary and Milk SA. Compared to the previous reporting year, Milk SA could not deliver lucerne and dairy meal concentrates to beneficiaries as planned because of loss of market by some beneficiaries, lack of beneficiary's own financial contribution to the cost of fodder and poor performance in terms of productivity per cow. Cost-sharing policy is implemented to promote an entrepreneurial mind-set and to protect Milk SA's scarce resources against misuse without accountability.

### ***achievements / underperformance***

This was due to a shortage of irrigation infrastructure and slow progress in securing farming loans from financial institutions

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

Milk SA is engaging other stakeholders to resolve the issues of milk buyers and addressing farmers' challenges on the ground. Other stakeholders will only be involved if a farmer is committed to make own financial contribution.

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

### ***Achievements***

During the year under review, a 30PT Switchover Milking Machine was delivered to a new beneficiary as a first time support grant. There was also a completion of a solar system installation, which had already been subsidised at 75% by Milk SA for a beneficiary in the previous reporting year (2024), was finalised during the first quarter of the year under review. The beneficiary indicated to Milk SA that since the solar system was installed, he has not experienced any challenges with water supply on his farm, and there have been no disruptions to the milking schedule due to power outages. Verification of the solar system was also conducted by the Milk SA Transformation Manager and the Transformation Officer through regular farm visits during the year under review.

Another beneficiary had submitted a request to Milk SA for support to expand an existing processing facility. However, due to insufficient milk volumes, the beneficiary was advised to collaborate with other emerging dairy farmers to improve viability and eligibility for support. In

addition, Milk SA requested the Dairy Standard Agency to conduct a farm assessment to determine commercial feasibility of the request. An informed decision will be made by Milk SA upon receipt of the assessment outcome.

## ***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***

Seven (7) continuous learning and problem-solving enterprise development meetings were held with project beneficiaries. Meetings were held at Bethlehem (2), Bloemfontein (1), and Harrismith (4). These meetings were attended by seventy-six (76) participants representing seventeen (17) Milk SA Transformation Project Programme beneficiaries from Delareyville (1), Dewetsdorp (1), Dundee (1), Harrismith (8), Kaalfontein (2), Matatiele (1), Senekal (1), Tweespruit (1), and Wepener (1). The meetings focused on the following aspects:-

Potential milk buyers and their challenges regarding insufficient milk volume amongst the beneficiaries, and transport;

Performance of enterprises - number of cows in milk, herd size, average daily milk production per cow, cow mortality, stock theft, and culling rates ;

Fodder availability on the farms;

Pasture establishment and milk volume targets;

Milk SA supports for enterprise critical needs;

Farm visits by veterinarians;

Milk SA contract with farmers;

Skills development priorities for farmers:

Farmers' monthly reporting information and accuracy.

One of the above-mentioned meetings was attended by the milk buyer and the transport company responsible for collecting milk from the Harrismith beneficiaries and providing milk transportation services, respectively. The milk buyer was afforded an opportunity to engage with the Harrismith beneficiaries on milk volume demand, payment arrangements, and pricing strategies. Beneficiaries were advised to improve their fodder flow in order to produce sufficient volumes of good-quality milk that meet market standards. Furthermore, a representative from the Free State Department of Agriculture attended one of the meetings with the Harrismith beneficiaries and indicated that the challenges faced by the farmers in their dairy enterprises—particularly the loss of a long-standing milk buyer and insufficient fodder flow—had been noted. The representative further indicated that the relevant support structures within the Department would be engaged to assist the Harrismith beneficiaries in identifying a new milk buyer and to facilitate their inclusion in relevant government support programmes.

## ***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 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. The Agricultural Economics Association of South Africa (AEASA)**

The Transformation Manager and the Transformation Officer, attended Day 1 of the 62nd Annual AEASA Conference, held at Centurion, Gauteng Province. The Transformation Manager represented Milk South Africa and participated in a panel discussion with Transformation Managers and Officers from other commodity industry associations. The discussion was centred on the Agriculture and Agro-processing Master Plan (AAMP) as an intervention intended to address market failures, particularly those associated with production schemes. During the session, Milk SA's experiences in empowering Black-owned dairy enterprises were shared by the Transformation Manager. The Transformation Manager highlighted challenges encountered by transformation beneficiaries including the loss of milk buyers - were highlighted. Furthermore, he told the gathering that lack of synergy among stakeholders was a threat to the country's progress and one would not escape its negative impact.

#### **6.2. Agro Processing Master Plan (AAMP) - Livestock Value Chain Round Table (VCRT)**

The Milk SA Transformation Manager and Transformation Officers participated in two Livestock Value Chain Round Table (VCRT) meetings during the year under review. The VCRT concept was incorporated into the Agro-Processing Master Plan (APMP) initiative as a platform aimed at bringing together stakeholders from both government and private sectors to address key industry challenges and to capitalise on opportunities for the benefit of the livestock sector. Key issues discussed during these platform meetings included trade and market access, regulatory policies, energy challenges, infrastructure development, and transformation within the livestock value chain. Several key stakeholders, including the Land Bank, the Department of Agriculture's AgriBEE Sector Code Directorate, Red Meat Industry Services (RMIS), and Karan Beef, delivered presentations highlighting opportunities that could support the growth and development of the livestock industry. In addition, the Foot-and-Mouth Disease (FMD) crisis formed part of the critical discussions, as it continues to affect the entire livestock industry value chain, including the dairy industry.

#### **6.3. Aspirant dairy entrepreneur**

Milk SA's Transformation Manager and Transformation Officer met with an aspiring female dairy

entrepreneur. She visited the Milk SA office to learn about the dynamics of the dairy industry, as she aspired to become a dairy farmer in the future. She indicated that she was planning to purchase a farm in Gauteng Province and raise dairy calves to lactation age. Furthermore, she stated that she had an interest in goat milk production and was keen to explore the sector. She also indicated that she would like to spend some time learning about and gaining exposure to the dairy industry before starting any business. Furthermore, the Transformation Manager connected her with the ARC, DALRRD, the Land Bank, and some dairy farmers in Gauteng so that she could gain further insight into the dairy industry.

#### **6.4. Dairy processing equipment supplier**

A meeting was held with a supplier of dairy processing equipment to have better understand the best milk processing plant for a group of farmers without formal milk buyers who have small volumes of milk. The supplier company provides a full range of solutions, from standard stainless-steel tubes and fittings to customized state-of-the-art processing plants. According to the supplier, a group of farmers with a small volume of milk needed a simple processing plant that could pasteurize and process raw milk into amasi. Moreover, he mentioned that such farmers should consider exploring other products in the future, such as yoghurt.

#### **6.5. Department of Agriculture (DA):**

Two engagements were made with the Department of Agriculture during the year under review regarding national milk producer statistics. The goal was to geolocate every milk producer in South Africa and assess the situation of every one in order to develop a strategy to promote productivity, efficiency, profitability, inclusive economic growth and sustainability. The study was planned to start during quarter 2 of 2025 and finished in 2027. Participants in the study will include national department of agriculture, provincial departments of agriculture, ARC, Milk SA and some universities.

#### **6.6. The Department of Agriculture (NDA) – Directorate National Extension Support**

Two engagements with the National Department of Agriculture (NDA), Directorate National Extension Support were made as follows:

##### **Extension Services Advisory Forum**

Milk SA's Transformation Manager and Officer attended DALRRD's Public Sector Forum for Extension and Advisory Services in the North-West Province. The forum provides strategic guidance and promotes effective implementation and monitoring of Extension and Advisory Services programmes. Milk SA Transformation Manager made a presentation on transformation initiatives and challenges relating to extension services for farmers Milk SA transformation programme. It was further highlighted that dairy industry transformation was negatively affected by the lack of dairy industry extension and veterinary services. During the presentation, some of the government officials acknowledged the complexities of the dairy industry and the lack of a strategy to support dairy projects in the different provinces.

##### **Joint strategic planning sessions of the PSFEAS and SAFAEAS**

The Transformation Officer attended the joint strategic planning session of the Public Sector Forum for Extension and Advisory Services (PSFAES) and the South African Forum for

Agricultural Extension and Advisory Services (SAFAEAS), held in the Limpopo Province at Vhembe District Local Municipality. The strategic plan was intended to bring together key stakeholders in the extension and advisory services sector to reflect, share insights, and define a clear direction to improve the effectiveness, coordination, and responsiveness of these services in meeting the needs of the agricultural sector. An exposure visit to three projects supported by the Department of Agriculture in the Vhembe District was also conducted to observe the assistance provided by the Department. It was discussed during the forum that the Department of Agriculture (NDA) needed to strengthen its partnerships with commodity industry organisations to ensure effective coordination of agricultural and advisory services provided to farmers.

#### **6.7. Independent researcher – Wits Business School**

A meeting was held between an independent researcher from Wits Business School, the Milk SA Transformation Manager and the Transformation Officer. The researcher sought to gather information on Black dairy farmers under the Milk SA Smallholder Commercialisation Project Programme, particularly those in the Free State Province, to conduct an in-depth assessment of factors affecting their business success or failure. The study was planned for 2026. Milk SA advised the researcher that farmers would be informed about the study and participation would be voluntary. Few beneficiaries from the Milk SA transformation programme had declared their interest in the possible study, and would only be linked with the researcher when he was ready with his study.

#### **6.8. Jobs Fund webinar**

There were two Jobs Fund webinars attended during the year under review. The first webinar was attended by both the Transformation Manager and the Transformation Officer while the second webinar was attended by the Transformation Officer. The first webinar was a briefing session for the Jobs Fund's call for proposals, focusing on "Breaking Barriers to Employment in Green and Informal Economies". Applications were invited from the private, public, and non-profit sectors, focusing on innovative and implementable solutions that address employment barriers in the green and informal economies. The second webinar had featured Jobs Fund partners, the SAB Foundation Trust, and the implementing agents, Lead Impact Capital and Fetola as well as Jobs Fund partners project beneficiaries. Partners were sharing their growth journey of several small, micro and medium enterprises (SMMEs) and the impact of SABF's multi-faceted business support approach, which demonstrated success.

#### **6.9. Marketing Forum**

Two Marketing Forum meetings were attended during the year under review. The first meeting was held in Mpumalanga Province and was attended by the Transformation Officer, while the second meeting took place in the Western Cape Province and was attended by both the Transformation Manager and the Transformation Officer. During these meetings, a series of presentations were delivered focusing on the implementation of provincial marketing strategies. The presentations included the Agricultural Statistics Strategy, Marketing Information Capacity Building Reports, the status of the AgriBEE Fund, as well as the SAGAP Annual and Progress Reports. Key stakeholders participating in the Forum, such as APAC and the CGA Grower

Development Company, also presented on the roles and contributions of their respective organisations. In addition, the Milk SA Transformation Manager highlighted challenges experienced by Milk SA transformation beneficiaries, particularly issues related to the ongoing market crisis.

As part of the programme during the first meeting in Mpumalanga, Forum members conducted site visits to three agricultural projects to observe the support provided by the Mpumalanga Department of Agriculture in strengthening market access. These visits included a vegetable and fruit farmer supported with a packhouse, a fully operational Agri-hub enhancing market access for smallholder farmers, and the Mpumalanga International Fresh Produce Market. Similarly, during the second meeting held in the Western Cape, Forum members undertook site visits to two agricultural projects to observe the Western Cape Department of Agriculture's support in improving market access. The projects visited included a vegetable farming enterprise and a wine cellar funded through the AgriBEE Fund.

#### **6.10. Meeting with the MEC for Agriculture, Free State Province**

The Milk SA Transformation Manager and Transformation Officer held a meeting with the MEC for Agriculture in the Free State Province. The meeting was also attended by the Free State Head of Department (HOD), technical experts specialising in animal science, an agricultural economist under the farmer support programme, and three Milk SA transformation beneficiary farmers representing other Milk SA transformation beneficiaries in the province. The discussion focused on the market crisis affecting Black-owned dairy enterprises in the Free State Province, with specific reference to those included in the Milk SA Transformation Programme database. During the meeting, it was proposed that an interim task team be established, comprising the Milk SA Transformation Manager, farmer representatives, and representatives from the MEC's office. The purpose of the task team is to develop solutions to address the dairy market crisis in the Free State Province. It was further suggested that the task team should organise a future meeting with all dairy farmers in the province, including commercial dairy farmers, to solicit collective inputs and develop a coordinated provincial strategy to address the dairy market crisis.

#### **6.11. Meeting between NAMC, Free State Department of Agriculture and Agricultural industries**

The Milk SA Transformation Manager and Transformation Officer attended a meeting with the National Agricultural Marketing Council (NAMC) and the Head of Department (HOD) of the Free State Department of Agriculture and Agricultural Industries to discuss potential collaboration in support of the Agriculture and Agro-processing Master Plan (AAMP). Representatives from the red meat and grain industries were also present. Milk SA presented an overview of the Milk SA Transformation Programme and highlighted challenges faced by Black-owned dairy farmers, particularly the lack of dairy market for some farmers. Based on 13 farmers from FS province in the Milk SA Transformation Programme, the majority of them had lost milk buyers at different times due to changing location by a milk buyer and insufficient milk volumes. The meeting agreed that Milk SA and the Free State Department of Agriculture would explore areas of collaboration to address challenges affecting dairy industry transformation in the Free State

Province.

## **6.12. National Agricultural Marketing Council (NAMC)**

During the year under review, engagements between the NAMC and Milk SA were as follows: The NAMC Transformation Review Committee members and its interns were exposed to 12 Milk SA transformation project beneficiaries from Dewestdorp (1), Harrismith (7), Kaalfontein (2), Senekal (1), Tweespruit (1), Welkom (1), and Wepener (1). The primary objective of the visit was to monitor and evaluate Milk SA's efforts to empower Black-owned dairy enterprises through its 20% dairy industry statutory levy income. The farmers expressed their gratitude that Milk SA had significantly assisted them in their dairy enterprises by providing support such as Eskom electricity connection, upgrading of milking parlours, pasteurising equipment, sinking of boreholes, heifers, feed supplies, and technical assistance for dairy business skills development, private veterinary services and pasture establishment.

Milk SA Transformation Manager and Officer also attended the NAMC's Transformation Workshop titled "Industry Transformation through Production Schemes." The workshop facilitated collaboration, promoted the AAMP, and build a shared commitment to driving transformation in the agricultural sector. Many commodity associations that had transformation initiatives funded by 20% of statutory levy income and agricultural industry trust funds attended the workshop and shared their transformation experiences. The Transformation Manager also presented Milk SA's transformation initiatives and the challenges facing Black owned dairy businesses. He also emphasised synergy and monitoring among stakeholders to ensure effective and efficient development.

Another meeting was also held with the NAMC to discuss milk industry production schemes and future meetings. A model of bilateral meetings with stakeholders was suggested by the NAMC for Milk SA to consider in addressing some of major challenges Black owned dairy enterprises were facing. It was agreed that NAMC and Milk SA would coordinate some of these meetings together. Following this meeting, the NAMC coordinated a meeting between National Lucerne Trust (NLT) and Milk SA which was attended by both NAMC personnel and Milk SA Transformation Manager. The meeting was intended to explore possible collaborations between the NLT and Milk SA to empower smallholder Black dairy enterprises. The meeting was especially valuable in getting information about lucerne planting as a valuable forage in the livestock industry -dairy industry included. Also discussed was the issue of grading lucerne.

Another meeting was held between the Milk SA Transformation Department and the NAMC Transformation Review Committee (TRC) to discuss the 2026 Milk SA Enterprise Development (ED) budget. A summary of Milk SA Transformation Programme activities undertaken in accordance with the NAMC Transformation Guidelines for the period 2022 to September 2025 was presented. This presentation was made in view of the expiring statutory levy period for the dairy industry, which was implemented in January 2022 and was scheduled to expire at the end of December 2025. Approval of the 2026 ED budget could not be granted by the TRC, as a decision of the Minister of Agriculture regarding the continuation of the statutory levy for another period in the dairy industry was still pending. Milk SA was still awaiting the NAMC to consider

the ED Budget, subject to the Minister's decision to approve continuation of 2022 to 2025 statutory levy.

### **6.13. NaLFA-SA Annual General Meeting**

The Transformation Officer attended the NaLFA-SA Annual General Meeting held at Harrismith, Free State Province. Several key issues affecting the livestock industry, particularly the red meat value chain, were discussed. These included biosecurity, which has become a major concern due to the outbreak of Foot-and-Mouth Disease (FMD) in the country, the availability of FMD vaccines, and market access for beef cattle. Rising feed costs were also highlighted as a significant challenge facing farmers. In addition, stock theft was discussed extensively, with several farmers indicating that they had previously been victims of this crime.

### **6.14. Engagement with a commercial farmer**

The Transformation Manager also visited one of the commercial farmers, who wanted to mentor aspirant Black dairy farmers. The farmer was advised that Milk SA supports existing Black-owned dairy enterprises and the farmer was connected with the Agri-BEE directorate.

### **6.15. SA Society of Dairy Technology 2025 symposium**

Both Transformation Manager and Transformation Officer attended the SA Society of Dairy Technology 2025 symposium titled "more for less - enhancing value and efficiency in dairy". There were a number of presentations by experts and many delegates engaged in successful dialogues about the symposium's theme. Innovations aimed at delivering high quality, safe and nutritious dairy products while navigating economic, environmental, and technological issues were discussed at the symposium. Delegates also had the opportunity to network during the symposium, while other delegates showcased their business products.

### **6.16. The National Agricultural Marketing Council (NAMC), the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) and the University of Pretoria (UP)**

The Transformation Manager and the Transformation Officer, attended the FoSTA-Health South Africa National Policy Dialogue, coordinated by the NAMC in partnership with FANRPAN and the University of Pretoria, held at ARC Roodeplaat, Pretoria. The purpose of the dialogue was to validate the research conducted under the FoSTA-Health project in South Africa, ensuring that the evidence generated reflects stakeholder experiences, sectoral realities, and contextual priorities. The management and impact of disease outbreaks in the livestock industry, particularly Foot and Mouth Disease (FMD) cases in the country, were also discussed. The shortage of veterinary services was highlighted as a major challenge affecting not only the dairy industry but also the general livestock industry value chain.

### **6.17. Potatoes SA Transformation Symposium**

The Milk SA Transformation Manager and Transformation Officer participated in the Potatoes SA

Transformation Symposium held in the Limpopo Province. The symposium focused on critical areas of potato production, including market access opportunities, blended finance, African trade, public–private partnerships, and the use of technology in agriculture. Other statutory levy-funded commodity organisations also attended the symposium, where they shared their experiences and best practices relating to sector transformation. An additional key objective of the symposium was to create a collaborative platform that brought together farmers, government officials, researchers, and private sector partners to strengthen partnerships that drive transformation and promote sustainability within South Africa’s agricultural sector.

### **6.18. Potential beneficiaries**

Two potential beneficiaries were engaged as follows:

**Eastern Cape:**

The beneficiary was met twice by the Transformation Department team. The first engagement was to assess farming operations and to determine compliance with Milk SA transformation criteria. The second visit was to monitor progress over the milking parlour that was being built on the new farm. The farmer was approved by the Transformation Management Committee during its meeting of October 2025. The request from the potential beneficiary for Milk SA support on pregnant heifers and a 30PT Switchover Milking Machine was granted, and delivery was made during the year under review to the beneficiary as a first-time support grant.

**Mpumalanga:**

This beneficiary has been on Milk SA books since 2018 and had been visited by both DSA and SAMPRO to assess his business situation, as he was already milking and selling milk. The beneficiary had been advised to approach Land Bank and to return to Milk SA once loan application has been approved.

### **6.19. Potential milk buyer**

Milk SA’s Transformation Manager and Transformation Officer met with a raw milk buyer at Nigel, Gauteng Province. The milk buyer runs a milk processing plant producing amasi, juice, cream, and yoghurt; to discuss the possibility of providing a market for Milk SA Transformation Programme beneficiaries from Harrismith. Following the meeting among Milk SA, the Harrismith beneficiaries and the potential milk buyer, the potential milk buyer agreed to purchase milk from the beneficiaries and commenced milk collection in May 2025. However, the beneficiaries still needed to improve their milk volumes in order to sustain the relationship with the milk buyer. Sufficient milk volume would ensure economically and viable milk collection.

### **6.20. Potential solar power supplier**

Milk SA and a potential solar power supplier visited four farms at Harrismith, Free State to assess power needs, installation area and cost of solar power infrastructure and installation. Solar power would be very helpful to farmers for running their dairy and for irrigation of permanent pasture to be planted. During the visit to the four farms, the potential supplier indicated that the farm setups are the same and that bringing a common solar power system would be easy, which would supply power at least 16 hours per day, allowing farmers to continue milking, cooling, and maintaining quality even when electricity was not available.

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

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

#### ***Achievements***

Veterinary services are crucial to dairy farms to maintain healthy, productive herds. As reported during the previous reporting year, due to a lack of state veterinarians and challenges associated with dairy herd health management, Milk SA saw it vital to revive partnerships with private veterinarians. Milk SA successfully partnered with an independent private veterinarian clinic to visit eight beneficiaries at Harrismith, Free State Province every three months to conduct pregnancy tests, assess body condition scores, conduct post-mortems, and monitor general dairy herd health. A meeting with the abovementioned private veterinarian at the clinic was held during the year under review to discuss challenges the clinic had experienced while working with Milk SA transformation programme beneficiaries at Harrismith, Free State province. During the meeting, the vet highlighted that some farmers were cooperative, while others were difficult to work with but they would continue working with Milk SA as per the partnership agreement. The Transformation Manager advised the veterinarian that reports should be submitted to Milk SA after each visit to respective project beneficiaries. The reporting structure was shared, and it was outlined that the report to Milk SA should include the following information: the number of cows tested for pregnancy, bulls tested for fertility, number of animals assessed for body condition score, types of treatment administered, the overall dairy herd health condition, and advice provided to the farmers.

During the year under review, the veterinarian visited five beneficiaries' farms as per the partnership agreement between the private veterinarian clinic and Milk SA. On all the farm visited, pregnancy scans and diagnosis were conducted, assessment of the overall animals body condition scores were done and vaccination for lumpy skin diseases was conducted on three of the five visited farms animals. A case of a sick animal with a perianal wound and abscesses was observed by the veterinarian on one beneficiary during farm visits. Appropriate treatment was recommended, and the affected beneficiary was advised to rinse the wound at least twice daily until it healed. The vet also advised all the beneficiaries visited during the year under review, that instead of dipping during rainy seasons, a long-acting injectable could be used to control parasites. In addition, vaccinations, especially those that protect lungs, should always be up-to-date before winter months begin.

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

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

## **Achievements**

In line with the NAMC transformation guidelines, Milk SA assists transformation beneficiaries to build houses for farm workers. During the year under review, a house, which was approved in 2024 under emergency relief, was completed. The beneficiary had suffered house and pasture due to fire outbreak from neighbouring farms. The house comprises a kitchen, shower, toilet, and a urinal. Milk SA Transformation Department team verified the work done on the farm during farm visit. Normally a farmer contributes 25% to the total cost for constructing workers accommodation, but in this case, no contribution was needed because it was an emergency case. Both the beneficiary and the farmworkers expressed their appreciation for the support provided by Milk SA in relation to the accommodation.

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

## **Income and expenditure statement**

Income and expenditure statement	<a href="#">ED MANAGEMENT ACCOUNT BUDGET JAN - DEC 2025.pdf</a>
Unnecessary spending during period	No

## **Popular Report**

[2025 ED ANNUAL POPULAR REPORT 04 MARCH 2026.pdf](#)

## **Popular report and 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