



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

(PRJ-0422-2026)

**Milk South Africa NPC**

**Quarter 1 2026** (January 2026 till March 2026)

## **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 2026 report on the objectives set for 2026.

During the year period review, there were twenty (20) existing Black-owned dairy enterprises under the Milk SA Transformation Programme database across the five provinces; EC (3), FS (13), GP (2), KZN (1), and NW (1). Monitoring and evaluation continued to focus on dairy herd health, breeding, milk production, fodder flow, animal feeding, and business record keeping. There were 717 cows in milk on average, an increase of 12% from the Q4 of 2025 (641 cows on average). The total volume of milk delivered to raw milk buyers also increased by 10% from 441 581 kilogrammes in Q4 of 2025 to 486 713 kilogrammes during the period under review. Compared to Q1 2025, the average number of cows in milk increased by 10% from 650 to 717. However, the milk volume declined by 30%, from 695 939 kilogrammes during Q1 of 2025 to 486 713 kilogrammes during the period under review.

As reported in the previous quarterly report, the lack of milk buyers, or the absence of reliable milk buyers for some of the transformation project beneficiaries, remains a challenge. This has also undermined Milk SA's milk volume records, as some beneficiaries do not maintain accurate records of milk sold directly to local consumers. Previously, Milk SA received milk volume data directly from milk buyers, which provided a more accurate reflection of volumes supplied to the

market. Beneficiaries at Delareyville, Indwe, Tweespruit and Wepener continue to operate without formal milk buyers and sell milk directly to local consumers in nearby towns. In general, low milk volumes were recorded among the majority of Milk SA Transformation Programme beneficiaries during the period under review, indicating a need for increased production to access established markets and sustain long-term relationships with buyers. The average litres per cow per day during the period under review ranged from 2 to 12 litres. In another case, concerns were raised by a milk buyer collecting milk from eight beneficiaries at Harrismith that the volumes supplied were too low to make collection economically viable. As a result, a very low price was offered to this group of farmers. During the period under review, a combined volume of between 1,100 and 3,100 litres of milk was supplied every second day by these eight beneficiaries, which is below the buyer's required volume of at least 5,000 to 6,000 litres per collection.

Other critical challenges reported by beneficiaries during the period under review relate mainly to livestock theft and killings, as well as cases of Foot-and-Mouth Disease (FMD). One beneficiary at Harrismith experienced two attempted livestock theft incidents on the farm. Following these incidents, two cows were reported dead—one due to a gunshot wound and the other from a knife injury. In addition, two beneficiaries reported cases of FMD. The first case was reported by a beneficiary at Welkom (Free State), and the second by another beneficiary at Stutterheim (Eastern Cape). The beneficiary in Welkom further indicated that her cattle experienced health challenges after receiving the FMD vaccine. A similar concern was raised by a beneficiary at Harrismith, who reported that five of his cows died after receiving the FMD vaccine. According to the beneficiary, the animals became weak and struggled for few days following vaccination.

## ***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 because of lack of sufficient fodder flow, lack of farmer 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.

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

There were no pregnant heifers and bulls delivered during the review period

#### ***Reasons for non-achievements / underperformance***

There were no pregnant heifers delivered during the review period

because of lack of sufficient fodder flow, lack of farmer 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.

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

Nothing specific until FMD problem has been resolved and farmers have resolved their challenges in terms of stable milk buyer and fodder flow. Furthermore, 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 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 quality. Adequate fodder flow is 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

***Non-achievements / underperformance***

Neither permanent pasture nor fodder were established and delivered.

***Reasons for non-achievements / underperformance***

This was due to a shortage of irrigation infrastructure and slow progress in securing farming loans from financial institutions, as reported in the previous quarterly report. Furthermore, no fodder was delivered to beneficiaries during the period under review. The reasons for non-delivery of fodder were loss of

farming loans from financial institutions, as reported in the previous quarterly reports. Furthermore, no fodder was delivered to beneficiaries during the period under review. The reasons for non-delivery of fodder were lack of established milk buyers by some beneficiaries, lack of beneficiary's own financial contribution to the cost of fodder and poor performance in terms of productivity per cow.

market by some farmers, lack of farmer's own financial contribution to the cost of fodder and poor performance in terms of productivity per cow.

### ***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***

There were no supplies of critical on-farm enterprise infrastructure, including affordable processing equipment, during the period under review. As reported during the previous quarterly report, a beneficiary approached Milk SA for support to expand the current processing facility. Unfortunately, due to insufficient milk volumes, the beneficiary was advised to collaborate with other emerging dairy farmers in order to qualify for Milk SA support. To date, no further response has been received from the beneficiary. Milk SA has also been awaiting a visit by the DSA technical expert to assess whether the beneficiary's request deserves support. A final decision on support could not be concluded, pending both the beneficiary's willingness to collaborate with nearby milk producers to achieve sufficient volumes and the recommendation from the DSA technical expert.

### ***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***

An enterprise development meeting was held with seven beneficiaries at Harrismith, and discussions focussed on the following the issues:-

#### **a) Milk buyer concerns on low milk volumes:**

Concerns were raised by the milk buyer regarding a decline in milk volumes supplied by the collective group of eight Harrismith farmers since January 2026 to Milk SA Transformation Manager. It was revealed during the meeting that the reduced supply resulted from deliberate production adjustments made in December 2025. Beneficiaries reduced feed intake to lower milk output in response to decreased demand during the festive season, as the buyer was unable to collect full volumes. This measure was implemented to minimise losses associated with milk spoilage. It was also noted that some beneficiaries have diversified their market channels by selling directly to local consumers, citing more favourable prices compared to the current buyer. Beneficiaries' efforts to secure another potential milk buyer in the Free State were still ongoing, as beneficiaries were still busy sending their milk samples for quality evaluation to the potential milk buyer.

**c) Farm visits by private veterinarians and biosecurity:**

It was noted that three of the seven beneficiaries who attended the meeting had implemented biosecurity measures at their farm gates for all vehicles and visitors to observe when entering their farms. Other beneficiaries who had not yet implemented biosecurity measures were advised to do so to minimise the risk of the spread of FMD. Beneficiaries were further encouraged to improve communication with Platberg Animal Health Hospital to enable more effective veterinary support.

**c) Free State Provincial Department of Agriculture visit to Milk SA Transformation beneficiaries:**

Following the meeting the Milk SA Transformation team had during Q4 of 2025 with the FS MEC and HOD team, the same team conducted farm visits to Milk SA Transformation project beneficiaries throughout the Province to assess the challenges that Milk SA had highlighted during the meeting. Beneficiaries at Harrismith confirmed that representatives from the Department visited their farms to assess their challenges and the support given by Milk SA's transformation programme initiatives.

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

**Goal 6 - Coordinate and liaise with Government at all levels – Agri-BEE 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.

## **Agro Processing Master Plan (AAMP) – LVCRT and Transformation Working Group**

The Milk SA Transformation Manager and Transformation Officers participated in two meetings relating to Agro processing Master Plan, one for Livestock Value Chain Round Table (LVCRT) and another one for Transformation Working Group which report to the bigger LVCRT. Key stakeholders, such as the Land Bank, the Department of Agriculture's AgriBEE Sector Code Directorate, NAMC, MPO, Ministerial task team, NaLFA SA, and RIMS were present during these meetings. Key issues discussed during these platform meetings included trade and market access, regulatory policies, biosecurity, infrastructure development, research and technology, as well as transformation within the livestock value chain. The Foot-and-Mouth Disease (FMD) outbreak and vaccination programme were also discussed during these meetings. It was confirmed during the discussions that animals in poor body condition were more likely to experience adverse reactions following vaccination. As a result, farmers were advised to ensure that their livestock were in good health and adequately nourished prior to vaccination. Stakeholders were further encouraged to communicate with farmers and to ensure that any adverse reactions were promptly reported to the relevant provincial teams or the veterinarians responsible for administering the vaccines.

### **Marketing Forum**

Milk SA's Transformation Manager and the Transformation Officer attended a Marketing Forum meeting held in the Gauteng Province. A series of presentations were made on the implementation of the province's marketing strategy. Key matters covered in the presentations included the Marketing Information Capacity Building Reports, the status of the Agri-BEE Fund, and the South African Good Agricultural Practices (SAGAP) progress reports on farm audits and certification for market compliance. In addition, updates were provided by the provinces on their plans and achievements aimed at supporting farmers' readiness to access markets for their agricultural produce. As part of the programme, forum members conducted site visits to two agricultural projects funded by the Gauteng Department of Agriculture, aimed at strengthening market access readiness. Both projects focused on vegetable production and were supported with packhouse facilities and equipment for washing and preparing produce for the market. One of the projects visited had also received support from the Agri-BEE Fund, specifically to enhance agro-processing activities and improve value addition.

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

### **Goal 7 - On-farm infrastructure- including milking and processing equipment for two beneficiaries**

#### ***Achievements***

Milk SA has an agreement with an independent private veterinarian practice to visit eight beneficiaries at Harrismith every three months. Their duty is to conduct pregnancy tests, assess

body condition scores, conduct post-mortems, and monitor the general dairy herd health situation. During the period under review, a meeting between the Milk SA Transformation team and the vet took place, which discussed the challenges the vet had been facing when working with the beneficiaries. Three beneficiaries' farms were visited by the veterinarian to conduct vaccination for clostridial disease and deworming for round and tape worms. The vet also treated some of the animals on one of the farms with lumpy skin disease and injected all cows with complex A & E multivitamin. Assessments of body condition scores were carried out on all the three farms. According to the veterinarian's report, the overall body condition of the animals on the three farms ranged from a score of two to four.

***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, no worker's accommodation and ablution facilities were constructed

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

**Income and expenditure statement**

Income and expenditure statement	<a href="#">ED BUDGET EXPENDITURE.pdf</a>
Unnecessary spending during period	No

**Popular Report**

[Q1 Popular Report 15 APRIL 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

