



agriculture
& rural development

Department:
agriculture
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PROVINCE OF KWAZULU-NATAL

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**KEYNOTE ADDRESS BY KZN MEC FOR AGRICULTURE AND RURAL
DEVELOPMENT, MR CYRIL XABA AT THE AGM OF THE
MILK PRODUCER'S ORGANIZATION
FRIDAY, 28 AUGUST 2015**

The CEO of the Milk Producers' Organisation, Dr Chris van Dijk

MPO National Chairperson, Mr Tom Turner

KZN President, Mr Edsel Hohls

KZN Vice-President, Mr Tigger Bryden

Ladies and Gentlemen

Thank you for inviting me to be the guest speaker at your AGM. My presence here today, comes after a series of meaningful engagements with the MPO.

From my meetings with you, I have come to understand the dairy industry and the challenges you face. In fact, my interaction with the farming community, both in the formal and informal sector, has deepened my respect for farmers. It is certainly not an occupation for the faint-hearted.

There are constant challenges, like the current drought.

I've also learnt that, for some, adversity can bring out their creative and innovative spirit. In the milk sector you have the example of the Dairy Day initiative, where 26 Midlands farmers and farm workers have joined forces and are building their own processing plant. I met with the group and was impressed that these farmers want to extend their reach across the value chain and work to ensure better prices for farmers. They are also bridging the divide between commercial and emerging farmers as well as linking primary and secondary production. This is the kind of innovation we need, to grow agriculture in the Province.

As many of you are aware the KZN Department of Agriculture and Rural Development has also undergone a review process and has implemented a Strategy for Agrarian Transformation. The success of the strategy is based on

unity within the sector and working in collaboration and partnerships with commodity organisations such as the MPO, organised agriculture and academic institutions.

In this regard, I must express my gratitude that you were well ahead and had a partnership agreement with the Department from 2011 to 2014. This Memorandum of Cooperation is currently in the process of being renewed. I thank you for the many benefits that came out of our previous collaboration. These include:

- *The successful upgrade of the Cedara Dairy through the technical assistance of MPOKZN Members.

- * Support for research, and I will talk about this later.

- *The hosting of three animal scientists by MPO members for on-farming training and the opportunity for small-scale farmers to attend Milk SA courses.

Under the new Agrarian Strategy our partnerships with commodity organisations is aimed at working on small farmer development programs. This is to equip emerging Black farmers with the right technology and training so that they have an opportunity to become commercially successful.

It is also aimed at upgrading our extension services and ensuring that extension officers get specialist commodity training so that they can offer farmers expert advice.

Our past collaboration has also seen MPO members making greater use of the analytical services available to the dairy sector through the Department's laboratories. At this point I must apologise for the delays that many of you recently experienced with the service. I can assure you that the matter has been resolved and the laboratories are running at full capacity. The problem arose because of strict government procurement measures, to ensure that the system does not get abused. The specialist chemicals and equipment for the laboratories, are often available from a single source. The delays were caused by having to get the necessary authorisation from the Supply Chain Management Unit to use a single source.

As we move forward, I am positive that these glitches will be ironed out. In fact the Provincial Government held a Procurement Indaba in Durban, just two weeks ago to look at making procurement more efficient and corruption-free.

After that lengthy introduction, let me get down to the subject of my address. Edsel, left the field wide open and said I could speak on any subject that I choose. I've decided to talk to you about cows or more specifically traditional herds. In the Department's strategy we say that we want to bridge the divide between the formal and informal economy so that emerging farmers can venture into commercial enterprises. With livestock farmers – both in beef and dairy - we realised that if we want people to make a meaningful entry into the formal economy, then we will have to commercialise their cattle as well. This poses its

own challenges as we are going up against tradition. As you know cattle plays a very important role in African farming societies as a person's wealth was mostly determined by the number of cattle they had. However, stock quality has declined. This is after years of being forced to herd livestock on restricted pieces of communal land, in-breeding and the toll of diseases.

The Province has a livestock strategy to help communal farmers convert their cattle to dairy cows because they live in the dairy belt or to beef cows if they are in a beef area. The aim is to unlock the large potential of livestock in KwaZulu-Natal. There is some fascinating work being done in this regard under a program known as Operation Poverty Phakisa.

Operation Phakisa is an adaptation of the Big, Fast, Results Methodology that was first applied by the Malaysian Government in delivering its government's own economic transformation programme.

At the last count it was found that communal areas cover a third of the province and carries more than 50% of the cattle. This over-stocking has come with its own problems which includes in-breeding, low calving percentages, high mortality due to diseases and poor animal health. There has also been the lack of supplementary feeds, insufficient grazing management, insufficient stock watering facilities as well as widespread stock theft. It has been estimated that for each stock theft incident reported, affecting the commercial sector, there are three incidents reported regarding emerging farmers.

One of the first issues we set out to address is that of changing mindsets and educating the farmers on the advantages of reducing stock levels. The department set up livestock associations so as to have a medium to communicate with the farmers.

Going forward, the program is working on creating markets for communal livestock so that owners can generate an income. The program has set out to improve the genetics of livestock and ensure that there is adherence to grazing land carrying capacity as well as reduce disease in the communal herds. Linked to this is the creation of proper grazing camp infrastructure. This will serve to reduce the impact on the surrounding natural resources while ensuring commercialization of the livestock. All of this goes hand in hand with the provision of the required infrastructure – fencing, sale yards, feedlots, handling facilities. Eventually this will lead to value adding abattoirs, dairy facilities, meat processing and the hides industry.

An exciting initiative towards commercializing the livestock is that the Department will be investing R20 million a year over the next three years on a KZN dip tank assistants program. Here 900 dip tank assistants will be employed, trained and equipped to provide support at local level in the management of the department's 1, 800 dip tanks. This is to improve the management of dip tanks, thereby reducing mortalities and improving disease surveillance. Above all, it aims to help reduce the incidents of stock theft. There is also a project directed at animal identification with radio frequency Infrared eartags and microchips.

Work is ongoing on improving the genetic stock of herds. The Department's extension services actively promotes the castration of selected bulls to reduce the risk of in-breeding. Oxen and heifers not selected for breeding will be sold off at weaning.

The programs that I have described form the basis of our livestock work in general. When it comes to dairy, we will be concentrating our efforts on three dairy projects in the current financial year, two are in the Harry Gwala District and one in Amajuba. We have done an assessment of the Texas Valley farm in the Harry Gwala district for the development of the farm but there are social issues that have to be addressed and we are doing this through the Department of Rural Development and Land Reform. As I said at the outset moving to commercialise livestock comes with its own challenges. There are similar issues in the same district with the Pandarosa and Dawn Valley farms and we are working with commercial farmers in the district to address these and introduce new ideas for the farm. A business plan has been completed for the Summerhill farm and this year we will be implementing an irrigation scheme and pasture on the farm as well as upgrading the dairy.

An issue of concern to all of you and that places a particular challenge for small-scale farmers is the cost of feed and our reliance on importing feed. This issue is being addressed in the long-term with our commodity approach aimed at increasing maize and soya production. The Agri-Parks that are being introduced in the different districts will also offer opportunities to lower the cost of feed as dairy farms can be linked to maize hubs.

I am aware that a project close to the heart of the MPO is the involvement of small-scale farmers in the school milk program. This program will be taking off this year and there will be a pilot project started in the Harry Gwala district. Part of the reason for the delay is that we did not have enough small-scale farmers to ensure the sustainability of the milk supply to schools. We have resolved this situation and have identified a sufficient number of farmers to keep the project going.

I said that I would return to the issue of research. I am also aware of your past concerns over the decline of research at Cedara. In fact, the initial partnership agreement was motivated by the MPO's desire to get dairy research back on track. I can report that research and skills transfer forms the backbone of our new strategy going forward. In my public engagements, I emphasise the fact that agriculture is both a scientific and business enterprise.

At Cedara there is ongoing research into pastures and I believe I must thank MPO national chairperson, Mr Tom Turner for agreeing to use the animals on your farm for research on accelerated calf rearing. Work has been continuing on different breeds, For example research on the hardy Nguni breed has revealed that high stocking has resulted in the Nguni becoming smaller, hence generally milk production has become much lower. Additionally the Nguni tend to withhold their milk when milked – keeping it for their calves. Cross-breeding with jerseys

also did not yield positive results because the larger calves born resulted in more maternal deaths. To strengthen and extend our research and education capacity, we currently have formal partnerships with both the University of Zululand and KwaZulu-Natal. In our agreements we clearly state that research must focus on small-scale farming as a core, without ignoring the commercial sector.

We are also working towards updating our production manuals, including our publication, "Dairying in KZN," which I believe, at one stage was the most widely used reference for dairy farmers in South Africa. I believe it was also used in Australia and New Zealand.

I have spoken at length, to give you a broad overview of where the department stood with regards to dairy farming; and for you to understand why we value your cooperation and partnership.

There is much to be done, but by working together we can succeed in ensuring that the dairy industry in the province reaches its full potential.

I am excited by the future. I believe that the agriculture in KwaZulu-Natal is at a turning point and the partnerships and foundations we establish today are pivotal to our future economic growth, food security and the advancement of our rural communities.

I thank you.