



MELKPRODUSENTE-ORGANISASIE
MILK PRODUCERS' ORGANISATION

Dairy Industry Development Programme

By:

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1. Who is Milk Producer's Organisation (MPO) ?

- ✓ The MPO is a representative producers organisation focused on serving the primary sector of the South African dairy industry to:
 - ☐ Enhance the profitability, sustainability, and competitiveness of the South African dairy industry through services and projects.
- ✓ **MPO's Five Pillars of Sustainable Dairy Farming**
 - ☐ Environmental Sustainability
 - ☐ Animal Health and Welfare
 - ☐ Economic Viability
 - ☐ Milk Composition and Quality
 - ☐ Social Responsibility
- ✓ **All services and projects:**
 - ☐ Consumer Education
 - ☐ Transformation
 - ☐ Industry Information
 - ☐ Animal Health & Welfare
 - ☐ Research and Development
 - ☐ Dairy Technical Skills and Knowledge Development

In line with the statutory regulations, the MPO and the South African Milk Processors' Organisation jointly serve as service providers for selected levy-funded activities.

2. Background of Transformation through Statutory Measures

- ✓ Over the years, Milk SA has managed the statutory transformation fund, financed through 20% of the dairy industry's statutory levy income in line with the NAMC Transformation Guidelines.
- ✓ With effect from 1 July 2026, under the new Dairy Industry Statutory Levy Regulations (Regulation 7621), the MPO became the service provider responsible for implementing the statutory transformation project and reporting to Milk SA, which continues to administer the statutory measures.
- ✓ **Empowerment of previously disadvantaged individuals – Sustainability and commercialization**
 - ✓ The support to Black enterprise development in the dairy industry includes.
 - ✓ feed and veterinary support
 - ✓ Livestock
 - ✓ Feed
 - ✓ On farm infrastructure
 - ✓ Training and mentoring
 - ✓ Staff housing improvement



3. common challenges faced by Black-owned dairy enterprises

- Some farmers lack economically viable farm size.
- Grants funding dependency syndrome.
- Poor fodder flow resulting in poor milk volumes.
- Heat stress or high rainfall affecting the schedules of planting, quality and harvesting of forage/pasture.
- Lack of formal milk buyers or reliable milk buyers due to insufficient volume.
- Lack of capital to invest in pasture establishment and critical infrastructure as well as mechanisation.
- Dairy enterprise is complex and demanding – some beneficiaries lacked commitment
- Access to veterinary services is lacking and expensive due to the shortage of state veterinarians and the high cost of private veterinarians. Farmers report that state veterinarians are not always available.
- Poor road conditions.
- High cost of electricity
- Stock theft and vandalism of farm properties.

4. Empowerment of previously disadvantaged individuals – Promoting transformation **[Current focus]**

The current focus of the statutory transformation project, facilitated by the MPO in line with the NAMC Transformation Guidelines, is centred on the following activities under each transformation pillar:

1. Enterprise Development pillar

- ✓ Monitor existing smallholder Black dairy commercialization enterprises
- ✓ Deliver pregnant heifers to new and existing Black dairy enterprises depending on compliance with statutory transformation project criteria and beneficiary counter performance.
- ✓ Fodder flow improvement on farms
- ✓ Supply critical enterprise on-farm infrastructure including affordable processing equipment
- ✓ Provision of private veterinary services

2. Skills development pillar

Capacitate new and existing Black dairy entrepreneurs and their workers

3. Socio-Economic development pillar

Assist project beneficiaries to improve accommodation and ablution facilities for their workers.

Way forward

- ✓ **Establish a data base of all black owned dairy farms by working with the department of agriculture.**
- ✓ Through farm assessment to determine scalability
- ✓ Classify the farms as (Small, Medium, large) herds
- ✓ Collaborate with other stake holder e.g., ARC



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8. Conclusions

The MPO remains committed to implementing the statutory transformation project in line with the NAMC Transformation Guidelines. Through strategic partnerships and ongoing support, the project aims to build sustainable and competitive black dairy enterprises.

Thank You



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