



## NATIONAL ASSOCIATION OF DAIRY FARMERS REPORT TO CONGRESS 2011

## CHAIRMAN'S REPORT - ANNUAL GENERAL MEETING 5<sup>TH</sup> JULY 2011

I stand before you today at my fourth AGM as national Chairman of NADF. While I am very happy this will be my last I must say it has never been boring. Each of the four years has had very different challenges and opportunities. From haphazard Land reform to Zimbabwe dollar inflation and dealing with donors.

This year has been no different the main challenge and opportunity for us this year was molding a new NADF. An NADF for the future that could encompass the changes to our industry and could represent and serve all dairy farmers, add value to the industry and be of benefit to its members and the nation. A body that will be taken seriously by Government and other players. This was a tall order but with the most dynamic executive that I have yet worked with I believe we made huge strides towards achieving this. Our membership has been incredibly proactive and supportive of the changes, giving us the green light to forge ahead. We have for the most part had to operate outside of our constitution but with continued interaction with our members I am confident that we have kept on the right track. This included a strategy planning session and meetings country wide.

We have been very tentative in making changes to our constitution and I hope that the draft that is before you today is to all your satisfaction. Please give us more feed back today and over the next twelve months so that by this time next year we can adopt a new set of rules that will guild us into the future. One of the most difficult issues has been the relationship between NADF and CFU. While we want all dairy farmers to be free to join and hold office in NADF we also want to retain our link with CFU. This is not just for historic reasons but also because the Union provides us and our members with many useful services such as legal and labor advice and financial services. They are also involved in lobbying at local and international levels, that we as a commodity cannot achieve. The linkage is also important in some cases for accessing donor funding. I would urge all farmers to be a member of a farmers union after looking carefully at what they have to offer you. There are different functions between a commodity association and a union and I believe both are required. CFU and ZFU have signed a Memorandum of Understanding and we hope that NADF can be instrumental in strengthening these ties as we have members from both unions and we will be involved in the formation of a commodity council.

Activities of NADF this year have been mostly the services that we have come to take for granted like regional meetings and training. Milk quality continues to be the main thrust of training and we have seen improvements nationally of milk quality delivered to the major processors. Dr. Rachel Stewart has worked more independently this year which has been better for both parties. While removing the liability of an employee we have managed to secure Rachel's services for farmers and the association when we required them.

At the request of members and some processors the dairy model has been resuscitated. This is useful in giving all an idea of what is required to keep farms viable and provides a useful trend. Despite having a relatively high milk price by international standards due to the increasing cost of

basic inputs like labour, power, fuel, imported brans, oilseed byproducts and all inputs from South Africa our viability is still under threat. Only through monitoring this on farm and at national level can we try and address the cost drivers.

Our national Vice Chairperson Veneka attended the recent ESADA meeting held in Tanzania last month retaining our link with our regional counterparts and getting ideas for our local industry. While Veneka will give a detailed report on this, for me attending ESADA has always highlighted how our Government takes our dairy industry for granted. Other African administrations put so much emphasis and money into trying to build their industry while ours allows further destruction of ours. I have to at this point highlight that we have again lost more farms and cows from the industry to the never ending land grab. This is very detrimental to the rebuilding of our industry. Besides eroding confidence we are also losing the foundation breeding stock from which we need to draw to restock.

Rob and I attended the International Dairy Federation summit in New Zealand in November 2010 for some international exposure. We have managed to retain our membership of IDF through an arrangement that Rob has been instrumental in setting up through ESADA. In my report on this tour to regional meetings it was amazing to note the interest of farmers to stories from abroad about dairying. I urge future chairman to whenever possible attend international dairy events and most importantly report back to members not only the conference content but also the human aspects of dairying elsewhere. This occupation is so much more than a business. It requires a sustained passion for cows and the land.

The EU projects where rapped up with clean audits and reports. This has been a real feather in our caps and I would like to thank Hannelie Oliver for her part in the financial reporting. The project and NADF staff namely Rob Van Vuuren, Debbie Mylroie, Linda Nielsen, Sue Bell and Farai Tinarwo did an excellent job in implementing the projects. Despite not getting a continuation of these projects we have recently secured funding to continue this work for a further two years. We have established a strong and I believe long-term relationship with Land O lakes and I would like to thank Dai Harvey for his part in this and indeed his interest in Zimbabwean dairy. We will shortly be engaging staff to carry out this new work. I thank the EU and USAID/Land O Lakes for their support.

I am happy to report that the centers we worked with over the last two years have kept going post the projects. The Revolving funds that were put in place are still revolving and production from the centers continues to increase. To enable us to monitor the progress of each center we have kept in place the financial monitoring that was put in place during our first Land O lakes sub award. Each center is paying for this service and all are up to date with their NADF levy payments.

In our ever changing industry a sector that has grown this past year is the farmer processors retailers. As this helps to keep some members viable we support this sectors development. I do however have serious concerns with some of the product coming out of this sector. We recently came across milk that is delivered directly to households and restaurants in Harare that was not up to standard. The milk was in a plain plastic bag with no dates or details of origin. The consumer had been assured that the milk was pasteurized but on testing we found TBCs too numerous to count and tested positive to both Presumptive coli form and Fecal coli form.

The question here is why would a consumer put themselves at risk buying this product. The answer is I believe mainly because real quality FRESH milk is not readily available. Most milk in the supermarkets is either imported or locally produced UHT that has been entirely or partly reconstituted. This is not FRESH milk, it doesn't taste the same or have the same nutritional qualities. We have a

discerning consumer that grew up on real fresh milk and long for it. We as an industry have a duty to provide this but there are many constraints to achieving this that need to be addressed. In the first place we need to produce more milk. We need Dairy Services to be equipped to monitor all aspects of the industry. Zimbabwe Dairy Industry Trust (ZDIT) must become active in educating the consumer. I think the processors association needs to be more active and small processors need to be pulled into line. Coupled to this and out of our control is the erratic power supply which has pushed processors to long life products.

I can report that Dairy Services, under the mantle of Amayi Marecha has come alive and they are visibly taking bold steps to ensure the dairy regulations are being adhered to. We also hope to work with Dairy Services to engage EMA to rationalize these regulations to make them more dairy farmer friendly and affordable. Aglabs continue to improve their milk testing ability and I commend them for getting DHI up and running again. We need to support and work with these service providers.

The National Dairy Co-op has also been through changes this year with some processors opting to move their own milk. This has put our Co-op under pressure but I still feel it has an important part to play for all of us producing milk. It may not be evident to you now but a pool of cooling tanks that farmers can draw from as required is a huge asset that we need to protect.

While having a number of processors competing for our milk is a benefit the big brother attitude of the old Dairy Board is gone and we must be prepared to stand on our own two feet now and in the future. I would like to thank the major processors for their support here today and throughout the year. The partnership between farmer and processor is what a dairy industry is built on. The improved standard of product that you are producing is doing us all proud.

It's my hope that all present today will enjoy and benefit from the new format of our AGM. The aim is to make the training and interaction accessible to all dairy farmers and interested parties. We hope it also shows the direction we have taken of being all inclusive.

Thank you to the support industries that have joined us for this event. Your sponsorship is greatly appreciated as it makes this day possible. I hope that you reap benefits from your efforts here. Dairy like most industries requires a cross section of players and skills.

To the team at Red Dane and Icefeed thank you for keeping our business trucking in the right direction with little guidance from me.

Rob thank you despite your personal hardship for keeping focused on the NADF and its members. To Debbie for holding the office and our schedules together and for this event we are all indebted to you.

Nathalie, Colette and Marlee I hope there will be less meetings for me now and more time with you.

It has been an honor for me to serve dairy farmers in Zimbabwe I thank you all for entrusting this position to me for the last four years. I am sorry for all those that I failed and that have lost their homes and livelihoods during my watch. I believe there is still a future for dairying despite the challenges we face and I wish the incoming chairperson all the best and offer my continued support to the NADF.

Ajs Kirk NADF Chairman 30 June 2011