

# **THOROUGHBRED INDUSTRY TRANSFORMATION PROGRAMMES WEANLING SCHEME**

## **Objective**

Development and implementation of Thoroughbred industry transformation programmes in South Africa, as an initiative of the Cape Breeders Club and SAFHorse in conjunction with the Department of Trade and Industry (DTI) and the Western Cape Dept. of Agriculture, with a goal of creating sustainable business opportunities for previously disadvantaged persons involved in the Thoroughbred industry.

## **Weanling scheme**

The Weanling Cooperative Scheme is the first of such programmes to be initiated. This project has industry wide support and the seed capital for the co-operatives of R300 000 per co-op will be provided by the DTI. The DTI has agreed to an initial 10 cooperatives, with five in the Western Cape, two in the Eastern Cape and three in KwaZulu Natal.

Weanlings will be purchased by the cooperatives and then resold as yearlings the following year. Profits will then be re-invested into the co-operative for a period of three years. During which time additional horses will be purchased and sold each year. At the end of the three year period the members will be required to vote on investment of profits.

## **Membership**

Requirements for membership are that each co-operative be limited to seven members, all of whom must have completed at least level one of the Cape Breeders/KZN Breeders Grooms Training Program. For an initial three year period all profits must be re-invested and mentorship will be provided. Mentorship will focus on providing the co-operative members with the business skills needed to successfully embark on their own business management. The third year of mentorship will be at a reduced level as the grooms will have obtained business skills by this stage. This will help to ensure the long term sustainability of the business.

The co-operative's members have been identified and the co-operatives are currently in the process of being registered.

## **Dividends**

After the initial three years members will be required to vote on re-investment or dividend payout of profit, however the ongoing purchase and sale of horses as per the original business plan will continue. Members will be provided with information as to personal investment of dividend pay outs. Members could decide on cash pay outs; investments in unit trusts; retirement trusts; educational trust for their children etc.

## **Conclusion**

The preceding is a clear pathway to transformation and empowerment in the Thoroughbred industry. It has been proposed by the DTI to use this module of transformation in other industries nationally. This will showcase the Thoroughbred industry as leaders in transformation and empowerment.