

MEDIA RELEASE

Alleged misuse of R500 million bailout at Onderstepoort Biological Products: PSA calls for urgent intervention by Minister of Agriculture

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EMBARGO

None

ENQUIRIES

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The Public Servants Association (PSA) is extremely concerned about recent media reports indicating that Onderstepoort Biological Products (OBP) was on the brink of collapse despite the allocation of R500 million bailouts by National Treasury to upgrade the facility.

The allocated bailout funding is alleged to have been squandered and misused. OBP serves as a state-owned animal vaccine manufacturing and distributing company. It is mandated to prevent and control animal diseases such as foot-and-mouth disease (FMD). Government spent billions of rands to secure animal vaccines from countries such as Botswana. The corruption and mismanagement of funds at OBP resulted in the inability to manage and control FMD, which puts livestock and people in danger. The OBP's infrastructure and resources are dilapidated, and capacity to manufacture and distribute animal vaccines has declined. The entity continues to receive qualified audit outcomes from the Auditor-General in previous financial years.

The PSA calls for immediate intervention by the Minister of Agriculture with decisive measures to save OBP from disaster. The PSA is worried about the lack of leadership capacity, crumbling infrastructure, and entrenched corruption at OBP. These failures created a state of ongoing instability, undermining service delivery, staff morale, and public trust. The manufacturing and distribution of animal vaccines serve are critical functions for protecting livestock, safeguarding food security, and supporting agriculture economy. Employees are concerned about their job security since OBP is in a serious financial crisis. It is unable to replace damaged equipment. These failures highlight the urgent need for drastic intervention to prevent the OBP's total collapse.

The PSA further calls for an independent forensic investigation into the governance, procurement processes, and financial management at OBP. The Minister should institute lifestyle audits for all executive members and Board members, with a comprehensive infrastructure audit, followed by maintenance and repairs. Immediate ministerial intervention is essential to restore accountability, operational stability, and capacity to protect South Africa's agriculture economy.

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