



Western Cape
Government
FOR YOU



Financing options for agricultural businesses

Programme: Agricultural Economic Services

2025

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1. INTRODUCTION

Access to sources of finance at the right time is a cornerstone for building better living conditions for farmers by ensuring profitability of their business operations. Finance is required for various reasons in agriculture i.e. operating activities, purchase of different types of agricultural implements, machinery, high quality seeds, storage and for making marketing arrangements.

This document aims to provide information about the various programmes and products offered by financing institutions in South Africa. The information contained in this document outlines the funding criteria, application process that needs to be followed, and the contact details of each financing institution. We trust that this will provide agricultural businesses with access to information, which will assist them to secure finance.

N.B: Applicants need to ensure that all the required documents are submitted and need to take note that if all documentation is not submitted, the application will be disqualified.

General documentation required by financial institutions before processing a loan application

- Business plan
- Organogram of management and staff
- Latest financial statements or, a written confirmation of earnings from an accountant if financial statements are unavailable.
- Management accounts (required upfront should financial statements be older than six months)
- Projected balance sheets, income statements and cash flow
- CC/Company/Trust agreement details (including Founding Statement, Memorandum and Articles of Association, Certificate of Incorporation, Certificate to Commence Business and Trust Deed (whichever applies)
- Personal bank statements (last three or six months depending on financier)
- Business bank statements (last three or six months depending on financier)
- Lease agreement if applicable
- Copies of contracts secured, if any
- Share certificates and Compliant tax status
- Debtors and creditors age analysis
- CVs of business principals
- Copies of ID and marriage certificates
- Proof of physical address
- Full description of fixed property together with a six month bond statement
- Disclosure of any claims, attachments, etc. by other financial institutions

2. GOVERNMENT INSTITUTIONS

2.1. WESTERN CAPE DEPARTMENT OF AGRICULTURE



2.1.1. COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME (CASP)

The Comprehensive Agricultural Support Programme (CASP) is a national governmental initiative, which was established in the year 2003. The aim of the programme is to support provincial departments of agriculture (PDAs) to create a favourable environment for emerging farmers and to expand the provision of support services for the development of agriculture. CASP has six pillars: information and knowledge management, technical and advisory assistance, and regulatory services; training and capacity building; marketing and business development; on-farm and off-farm infrastructure and production inputs.

CASP is currently being administered under Programme 3: Agricultural Producer Support and Development of the Western Cape Department of Agriculture, in association with its governmental implementation partner, CASIDRA (Pty) Ltd. The APSD programme is centred on the six above mentioned priority areas of CASP to ensure that farmers are empowered to effectively manage their farming enterprises. It was identified that providing land and capital is not enough and that continuous extension services and assistance should rather be provided to farmers to ensure they manage these funding mechanisms obtained from the national government in a more ordinal manner.

2.1.1.1. Potential beneficiaries

Agricultural-related projects that include vulnerable communities in the Western Cape are supported according to the following levels:

- Household food security and subsistence
- Farm and business level activity
- Agricultural macro-system: consumer and economics environment.

2.1.1.2. Application requirements for CASP assistance

- It must be a land reform initiative
- It must contribute to food security
- The project must have a minimum lease agreement of five years (at the date of application), as a food security project
- It must have a minimum lease agreement of nine years and eleven months (at the date of application) as a commercial project
- Projects that benefit women, youth and disabled persons are prioritised
- Projects that have the potential to enhance job creation are prioritised
- Projects must have the potential to become economically viable and sustainable
- Projects should demonstrate the potential impact of the grant on the viability of the project.

2.1.1.3. Application process for CASP assistance

- A CASP request form can be obtained from any of the below mentioned district offices of the Provincial Department of Agriculture. Alternatively, it can be downloaded from the Elsenburg website. It is important to ensure that a completed CASP request form and a detailed business plan is handed in to the nearest provincial district office
- Ensure that your business entity is registered at the district office. This serves as a recommendation for the application process.

2.1.1.4. Funding threshold

- The Western Cape Department of Agriculture serves the right to allocate the funding in accordance with its own discretion and the availability thereof.
- Please note that the approved funding will not be directly disbursed to the business entity, but that the funding will be administered by the governmental implementation agency CASIDRA (Pty) Ltd and commodity formations.

Applicants should note the following:

- Applicants are required to declare previous government support, failure to do so will lead to automatic disqualification.
- There is no guarantee that the application will be approved or funded in full. The Department of Agriculture reserves the right to only approve critical items deemed necessary by its delivery structures.
- NB: Civil servants and public office bearers and those working for parastatals are excluded from the grant support listed above.

2.1.2. Contact details

District	Town	Physical address	Contact number
Head Office	Stellenbosch	Muldersvlei Road, Elsenburg, Stellenbosch	Tel: 021 808 5112
Garden Route	George	Outeniqua Research Farm, Old Airport Road	Tel: 044 803 3748
Little Karoo	Oudtshoorn	PO Box 351, Oudtshoorn, 6620	Tel: 044 203 9411
Central Karoo	Beaufort West	104 Bird Street, Beaufort West	Tel: 023 415 3134
Overberg	Bredasdorp	Albert Myburgh Hostel, Golf Street, Bredasdorp	Tel: 028 425 4806
Cape Winelands	Stellenbosch	4 th Floor, ABSA Building, Plein Street, Stellenbosch	Tel: 021 808 7050
Cape Metropole	Goodwood	Goulbourn center C/o Voortrekker & Goulbourn road, Goodwood	Tel: 021 483 7785

District	Town	Physical address	Contact number
North West Coast	Vredendal	PO Box 130, Vredendal, 8160 C/o Matzikama and Noordweg Street, Vredendal,	Tel: 027 201 3501
Swartland	Moorreesburg	42 Lang Street, Moorreesburg	Tel: 022 433 2330

Alternatively you can visit: <http://www.elsenburg.com>

2.1.3. AGRIBEE FUND

The fund is managed by the Department of Agriculture, Land Reform and Rural Development. It was formed as an intervention to support black-owned small agricultural enterprises who were previously disadvantaged from participating in mainstream economic activities. The mandate of this fund is to also include the promotion of enterprise development initiatives through value add and agro-processing infrastructure. The WCDoA receives applications on behalf of DALRRD.

2.1.3.1. Products offered under AgriBEE fund

- **New equity deals**

This is meant for black people who want to acquire equity and shares, who have been operating in the sector for the past three consecutive years as well farm workers scheme who are starting new projects.

- **Increasing equity ownership and interest acquisition**

This is a funding for increasing shareholding and interest acquisition of black people in a viable and sustainable agricultural business enterprise.

- **Support for agro-processing/value adding enterprises**

For enterprise development initiatives (value addition and agro-processing), the fund will be utilised as follows:

- **Start-up processing/value-adding businesses**

This is a funding for businesses that have been doing very well at primary production level who then wish to start adding value or process their products.

- **Existing processing/value adding businesses requiring expansion capital**

This is a funding for existing enterprises for improving operations and productivity so that they can generate more output and jobs.

- **Enterprise development initiatives**

This is funding for the support of development initiatives as outlined in the AgriBEE charter/sector codes.

2.1.3.2. Potential beneficiaries

Black people in the entire agricultural value chain are encouraged to apply.

2.1.3.3. Eligibility criteria

- Applicants can only be juristic persons who are incorporated in South Africa with valid constitutional documents.
- The applicant (i.e. the individual/s within the legal entity) must be black and the entity 100%

black-owned. In cases where the applicant is not 100% black-owned, AgriBEE fund can only support the portion held by the black person/s.

- The applicant must be directly involved in the commodity or industry where investment is sought and should have been operating for at least the past recent three (3) consecutive years.

2.1.3.4. Prerequisites for funding

- Complete application form
- Applicants must provide supporting documentation for legal entities
- A business plan should be submitted and the cash flow projections must be realistic and positive
- Viability studies will be conducted by the Land Bank and the report of such studies shall form part of the evaluation
- Proof of market partner or identified market, market plan and signed contract must be supplied
- Minimum own contribution is needed from the applicant (refer to the criteria below).

2.1.3.5. Criteria for funding

- Government and the Land Bank employees, including politicians will not be eligible to receive grant funding and/or support from the AgriBEE Fund.
- An applicant should have his or her own 10% contribution to the grant provided and it must be deposited into the AgriBEE Fund account before the disbursement of the grant. This shows an applicant's commitment to the initiative.
- An applicant can only receive a minimum grant that amounts to R1 000 000.00 and the maximum grant that amounts to R5 000 000.00, provided that DALRRD and Land Bank may apply their discretion and approve applications of more than R5 000 000.00 and 20% own contribution would be needed for such cases.
- The grant must only be used for purposes which it was applied, therefore DALRRD and Land Bank must have access to verify if the money is indeed used for the intended purpose.
- For equity deals, applicants may only be assisted to acquire at most, up to 49% in the initial investment. This is to ensure that the skill is transferred gradually over a period and that the business continues to be viable and sustainable.
- For value adding or agro-processing initiatives, the applicant/s must show the ability to sustain the operations of the marketing/processing facility running at full capacity.

2.1.3.6. Exclusions

- Purchasing of farms and farming infrastructure at primary level (the Fund supports post production activities such as agro-processing/value addition infrastructure).
- 100% acquisition of a business at initial investment by the applicant(s) (applicants may only be assisted to acquire at most, up to 49% in the initial investment).
- Investment in farms under land claim.
- Applicant(s) who are not directly involved in the industry / commodity where investment is sought will be excluded (passive or speculative investors).

2.1.4. Contact details

Location	Physical address	Contact number
Pretoria	20 Steve Biko Street, Arcadia Pretoria, 0001	012 319 7850

Alternatively you can visit: <http://www.dalrrd.gov.za>

2.1.5. Provincial contacts

Location	Physical address	Contact number
Elsenburg	Muldersvlei Road, Elsenburg, Stellenbosch, 7607	Mr Edwin Boshoff Tel: 021 808 7739 E-mail: Edwin.Boshoff@westerncape.gov.za
		Ms Londiwe Thabethe Tel: 021 808 7733 Email: Londiwe.Thabethe@westerncape.gov.za
		Mr Maliviwe Makeleni Tel: 021 808 5413 E-mail: Maliviwe.Makeleni@westerncape.gov.za

2.2. DEPARTMENT OF SMALL BUSINESS DEVELOPMENT (DSBD)



The Department of Small Business Development is a ministry that was formed in May 2014 to address the lack of support to small businesses and co-operatives. The department is mandated to lead an integrated approach to the promotion and development of cooperatives and small businesses by focusing on the economic drivers that stimulates entrepreneurship to contribute to economic transformation. This Department offers various financial assistance to farmers through the following programmes:

2.2.1. CO-OPERATIVES DEVELOPMENT SUPPORT PROGRAMME

Co-operatives Development Support Programme (CDSP) is a programme of the Department of Small Business Development that seeks to support co-operative enterprises financially and non-financially in partnership with other key strategic stakeholders (DFIs, Municipalities and Private Sector, etc.). The programme is targeted at compliant South African registered co-operatives that possess experience and participate in any of the economic sectors. The programme, in partnership with other institutions, offers blended financing to eligible co-operatives on a cost-sharing funding (50:50) of a combination of a grant and loan. The grant-funding portion is capped at R2.5 million towards qualifying activities.

2.2.1.1. Products offered

- Costs for machinery, equipment and tools
- Operational costs
- Commercial vehicles directly linked to the core functions of the applicant
- Infrastructure requirements
- Product or service development
- Business development support
- Market development (research, pricing techniques and packaging)
- Costs for feasibility studies.

2.2.1.2. Funding criteria

- Registered primary and cluster co-operatives with a majority of black members
- Have business activities in any economic sector
- Be biased towards women, youth and persons living with disabilities
- Primary co-operatives must be South African citizens from previously disadvantaged backgrounds.

2.2.1.3. Exclusions

- Basic and applied research
- Costs incurred and assets acquired prior to approval of a complete proposal
- Bonus payments
- Costs associated with tendering and tendering documentation
- Any illicit business activities
- Liquor and cigarette (purchasing of stock)
- Gambling related activities
- Non-business related infrastructure/or activities
- Vehicles for personal use
- Projects/activities that are initiated by an applicant before or during submission of a request for CDSP funding. Thus, CDSP will not reimburse such costs.
- Any other cost that the adjudication committee, in its sole discretion, deems as non-qualifying.
- State employees.

2.2.2. BUSINESS VIABILITY PROGRAMME:

The Business Viability Programme is designed to support SMME's, including co-operatives, to overcome both financial and non-financial constraints. The Programme is targeting SMME's experiencing business challenges with a view to assist them to achieve operational efficiencies, restore profit margins and contribute meaningfully to economic transformation as well as job creation.

2.2.2.1. Products offered:

The products offered is in the form of blended finance (grant and loan), whereas the grant will be

up to a maximum of 30% of the total funding requirement. The loan repayment term is a maximum of 120 months with a moratorium of 12 months dependent on the cash flow. The interest rate on the loan component will be limited to be fixed at 5%. The maximum amount of R15 million per entity will be offered towards the following products:

- Acquisition of new equipment, machinery, vehicles and other related business assets for business related purposes only.
- Working capital (suppliers, employees, stock, raw material, and other operational costs)
- Business Development Services through Seda (non – financial support).

2.2.2.2. Eligibility criteria:

- Be a legal registered entity in South Africa (CIPC and UIF).
- Must be 100% owned by South African citizens.
- Employees must be minimum 70% South Africans.
- Have been in operation for at least 12 months.
- Registered and compliant at SARS.

2.2.3. CONTACT DETAILS:

Location	Physical address	Contact number
Pretoria	77 Meintjies street, Sunnyside, Pretoria, 0001	Tel: 0861 843 384/012 748 9600 Email: info@dsbd.gov.za/ helpline@sefa.org.za
Cape Town	9th floor, FNB Building, 2 Long Street, Cape Town, 8001	Tel: 021 418 0126 Email: sefawc@sefa.org.za

Alternatively you can visit: <http://www.dsbd.gov.za>

2.3 DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION (DTIC)



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

The Department of Trade, Industry and Competition (DTIC) has various incentive schemes, for those individuals who are planning to start their own businesses and those who have existing businesses. The DTIC seeks to broaden participation in entrepreneurial activity for all, with the emphasis on youth development, women and B-BBEE. Aquaculture Development and Enhancement Programme (ADEP), Agro-processing Support Scheme (APSS) and Critical Infrastructure Programme (CIP) are some of the funding schemes and are offered to the agricultural sector.

2.3.1. AQUACULTURE DEVELOPMENT AND ENHANCEMENT PROGRAMME (ADEP)

Aquaculture Development and Enhancement Programme (ADEP) is an incentive programme provided directly to applications approved for new, upgrading or expansion projects. This programme started in September 2012. Aquaculture Development and Enhancement Programme is a cash grant that is

paid to fish hatcheries, fish farms and as well as operations involved in the production, processing and preserving of aquaculture fish. The objectives of the ADEP are to stimulate investment in the aquaculture industry with intentions to increase production, create and sustain jobs, encourage geographic spread and broaden participation.

This programme offers a cost-sharing grant of up to a maximum of R20 million in qualifying costs in machinery and equipment, bulk infrastructure, owned land and buildings, leasehold improvements and competitiveness improvement activities. The incentive is disbursed over 2 (two) payment periods, i.e. the commencement of commercial production and at the end of the first full 12 months after start of commercial production.

The following projects will be considered for ADEP incentive and all applications must be submitted at least 60 (sixty) calendar days prior to commencement of the commercial use of the assets or undertaking activities being applied for:

2.3.1.1 Primary aquaculture operations

- Nursery facilities and operations
- Hatchery facilities and operations (e.g. broodstock, seed, spat, etc.)
- Nursery facilities and operation
- On-growing operations, including but not limited to rafts, net closures, net pens, cages, tanks raceways and ponds.

2.3.1.2 Secondary aquaculture operations

- Primary processing (post-harvest handling, eviscerating, packing, quick freezing).
- Secondary processing (filleting, portioning, packaging); tertiary processing (value adding: such as curing, brining, smoking, further value adding such as terrines, roulades, pates, paters).
- Waste stream handling (extraction of fish oils, protein beneficiation, organic fertilizers, pet feeds, animal feeds).

2.3.1.3 Ancillary aquaculture operations

- Aquaculture feed manufacturing operations
- Research and development projects related to aquaculture
- Privately-owned aquaculture veterinary services (farm inspections, disease surveillance and control, histopathological analysis, etc. specifically for the aquaculture industry).

2.3.1.4 Funding criteria

- The applicant must be a legally registered entity in the Republic of South Africa.
- The applicant must be compliant with aquaculture legislative requirements.
- Must be tax compliant and a proof be supplied before the incentive is disbursed.
- Application is submitted at least 60 days prior to commencement of the commercial use of the assets or activities applied for.
- Must be a B-BBEE level 1 to 4 for entities with a turnover of more than R10 000 000. Affidavit is required for applicants with a turnover less than R10 000 000.

- Applicants must achieve at least level four B-BBEE contributor status or must submit a plan of how they will achieve this status within a period of four years.

2.3.1.5 Application checklist

- Completed application form
- Audited financial statements for the entity (latest)
- Authorised management accounts for the project
- Proof of compliance from the relevant department
- Incorporation certificate.

2.3.1.6 ADEP conditions

- Approved projects may not reduce their base-year employment levels at the application date, and these employment levels should be maintained for the duration of the agreement.

2.3.2. AGRO-PROCESSING SUPPORT SCHEME (APSS)

The aim of the APSS is to stimulate investment by South African agro-processing enterprises. The scheme focuses on food, beverage value chain addition & processing, feed & fertilizer production, furniture manufacturing and fibre processing. Furthermore, it focuses on purchasing different assets such as new machinery & equipment and commercial vehicles. In addition, the buildings and competitiveness improvement costs are also covered under the scheme. The enterprise must prove that it will achieve some of the following:

- Increased capacity
- Employment creation
- Modernised machinery and equipment
- Competitiveness
- Productivity improvement
- Broadening participation.

2.3.2.1. APSS offers

- A 20% - 30% cost-sharing grant to a maximum amount of R20 million over a two-year investment period.
- New and existing businesses with a historic cost of an asset that is less than R10 million can receive up to R3 million. If the cost of an asset is more than R10 million, then the business can receive up to R20 million.
- The DTIC may grant an additional 10% grant for projects that meet all the economic benefit criteria, which include employment, transformation, geographic spread and local procurement.
- Minimum qualifying investment size, including competitiveness improvement cost will be at least R1 million.

2.3.2.2. Funding criteria

- A completed application form to be submitted.
- A completed business plan to be submitted, which include detailed agro-processing activities,

budget plans, projected income statement and balance sheet, for a period of at least 3 years. The business must exhibit economic merit in terms of sustainability.

- Any assets bought and taken into commercial use or competitiveness improvements costs incurred before applying for the incentive will be considered as non-qualifying.
- Exiting entities must submit latest financial statements reviewed by an independent external auditor or accredited person, not older than 18 months.

2.3.2.3 Exclusions

- Land purchase
- Wages and salaries
- Passenger vehicles
- VAT and finance charges on assets
- Rates and taxes
- Costs incurred prior to approval
- Increased costs due to exchange rates.

2.3.2.4. APSS conditions

Approved entities may not reduce their employment levels from the average employment levels for a 12-month period prior to the date of application. These employment levels should be maintained for the duration of the incentive period.

2.3.3. CRITICAL INFRASTRUCTURE PROGRAMME (CIP)

The Critical Infrastructure Programme (CIP) aims to leverage investment by supporting infrastructure that is deemed to be critical, thus lowering the cost of doing business. The South African Government is implementing the CIP to stimulate investment growth in line with the national industrial policy framework (NIPF) and industrial policy action plan (IPAP). The CIP is a cost-sharing incentive that is available to the approved applicant/s or infrastructure project/s upon the completion of verifiable milestones or as may be approved by the adjudication committee. Infrastructure is deemed “critical” to the investment if such investment would not take place without the said infrastructure or the said investment would not operate optimally. CIP funds various industries, however the focus will be on the agricultural sector.

2.3.3.1. Grant offerings

- The CIP offers a grant of 10% to 30% of the total qualifying infrastructural development costs, up to a maximum of R50 million, based on the achieved score in the economic benefit criteria (EBC).
- CIP also offers a grant of 10% to 50% of the total infrastructural development costs, up to a maximum of R50 million to the agro-processing and projects that alleviate water and/or electricity dependency on the national grid.

2.3.3.2. Funding criteria

- The applicant must be a registered legal entity in South Africa.
- The project must be at least a level four broad-based black economic empowerment (B-BBEE) contributor in terms of the codes of good practice for B-BBEE. This requirement takes into

account the exemptions in terms of qualifying small enterprises (QSEs) as set-out in terms of the codes of good practice.

- For all projects, a grace period of 15 months after date of submission of the application is given for them to comply. In all cases, a B-BBEE certificate should be submitted at claim stage.
- The envisaged investment projects that may qualify for benefits under any investment incentive schemes offered by the DTIC are also eligible to apply for the CIP, provided that they are not for the same infrastructure activity items proposed by the project.
- Projects that have applied for the Shared Economic Infrastructure Facility (SEIF) will not be funded or co-funded for the same infrastructure activity under CIP.

2.3.4. BLACK INDUSTRIALISTS SCHEME

This product scheme aims to unlock the industrial potential that exists within black owned businesses that are managed and operated in South Africa. It provides both financial and non-support interventions. Entities are offered a cost-sharing grant ranging from 30% to 50% up to a maximum of R50 million. There are many productive sectors that the scheme focuses on, however, this document will only highlight the products relevant to the agricultural sector and are as follows:

- Blue/ocean economy, including vessel building and repair
- Agro-processing
- Chemicals, pharmaceuticals and plastics
- Industrial infrastructure.

It is important to note that the cost-sharing support is only provided for the following:

- Capital investment costs
- Feasibility studies towards a bankable business plan (Maximum of 3% of projected investment costs)
- Post-harvest support (maximum of R500 000).

2.3.5. CONTACT DETAILS

Location	Physical address	Contact number
Pretoria	77 Meintjies street, Sunnyside, Pretoria, Gauteng, 0002	Tel: 0861 843 384/012 394 9500 E-mail: contactus@thedtic.gov.za
Cape Town	8 Riebeeck Street, Cape Town, 8001	Tel: 021 480 8050

Alternatively you can visit: <http://www.thedtic.gov.za/>

3. DEVELOPMENT FINANCE INSTITUTIONS

3.1. LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA



The Land and Agricultural Development Bank of South Africa is an agricultural development financial institution. It is a state owned agricultural bank with an objective of serving emerging and commercial farmers by offering custom-made financial services within their reach. Since its inception in 1912, the bank has been the leading financier in the South African agricultural sector and it strives to be a world-class provider of agricultural financial services on a wholesale, retail, project and micro-finance basis. Land Bank supports economic growth through the provision of agricultural financial services by means of operating in the money market. Land Bank's broader objective is to contribute to rural development, stability, social upliftment and job creation in South Africa. The bank offers its products and services to mega/corporate farmers, medium to large and smallholder farmers in all the nine provinces of South Africa. The tailor-made solutions available to clients entail the following:

3.1.1. MORTGAGE LOAN

- The long-term loan is designed to finance capital expenditure related to agriculture; this is for the purchase of land and property, including the improvement of fixed agricultural property.
- Mortgage loans can also be used to consolidate debts related to the purchase of property or other purposes related to agricultural capital expenditure.
- Term is dependent on the purpose of the loan and offered for up to 25 years.
- The repayment of the loan is linked to the cash flow cycle of the business.
- Security for these loans can be in the form of a bond over fixed property or through additional security arranged in agreement with the bank.

3.1.2. MEDIUM-TERM LOANS

This loan was designed for medium-term agricultural finance requirements. Various forms of finance include:

- Purchase and installation of equipment related to agriculture
- Purchase of moveable assets
- Purchase of livestock
- Establishment of perennial crops
- Infrastructural improvements.
- The term of the loan is ranges from 5 to 15 years.
- The repayment of the loan is linked to the cash flow cycle of the business.
- Security for these loans can be in the form of a bond over fixed property or through additional security arranged in agreement with the bank.

3.1.3. INSTALMENT LOAN FINANCE (ASSETS FINANCE)

These facilities are designed for farmers that require financing for the purchase of tractors, vehicles, agricultural equipment not covered under medium-term loans and any agricultural justifiable

moveable assets.

- The term is up to 12 years.
- Security requirements; titleholder, specific and notarial bonds over the asset or through additional security arranged in agreement with the bank.
- Instalments are linked to the cash flow of the business and can be monthly, quarterly, half-yearly or annually.

3.1.4. SHORT-TERM LOANS

Short-term loans are tailored to meet important financing needs faced by commercial and emerging farmers during the vital agricultural production cycle. These include the provision of advances of crop intake, production requirements, production credit and other related services that include the handling, manufacturing, packing, processing, storage, transport and marketing of agricultural products.

- These loans are available for terms up to five years and are reviewed annually.
- The loan is renewed at the end of the term.
- Security for loans can be with fixed property or other forms of security acceptable to Land Bank representatives.
- The loan is repayable in full annually or when proceeds of the crop is received.

3.1.5. REVOLVING CREDIT FACILITY

The purpose of this short-term loan is for the finance of short-term capital requirements and other general or operational needs of the business. The loan is offered to agri-processing businesses, wine, poultry, feedlots, piggery, wine, cash crops and mixed farming (livestock and crop).

- The term of the loan is up to 5 years and is reviewed annually.
- The required security can be in the form of a first bond over fixed property or through additional security arranged with the bank.
- The facility is repayable in line with the income stream of the business.

3.1.6. VALUE CHAIN FINANCE

This loan offers production finance to farmers against a written agreement between the buyer and the seller for the production of and sale of specific quantity, quality, specific price which allows the value of the contract to be determined over the loan term.

- The term of the loan is seasonal, and is renewable annually upon review at the end of the production season.
- Both the farmer and the buyer must meet eligibility conditions of the bank.

Security requirement is the cession of proceeds from the sale of crop and livestock financed by the bank. Additionally, cession of comprehensive insurance, off-taker agreement and delivery contract at a specified price together with other additional security arranged with the bank.

3.1.6.1 Potential beneficiaries

A broad spectrum of clients is provided for in the agricultural sector:

- Emerging farmers
- Established farmers

- Co-operatives
- Agricultural related businesses.

3.1.7. BLENDED FINANCE SCHEME

Blended finance scheme is a scheme established in partnership with the Department of Agriculture, Land Reform and Rural Development (DALRRD) to commercialise development farmers. The objective of the scheme is to facilitate meaningful participation of black producers and majority black owned enterprises owning and controlling the agricultural value chains.

3.1.7.1. Potential beneficiaries

- Small and medium scale producers in primary agriculture and agro-processing subsectors within the Land bank's mandate.
- Producers engaged in value chain and aggregation activities.
- The projects should aim to achieve sustainability and growth.
- The projects should have high development impact.

3.1.7.2. Qualifying subsectors

Targeted commodities in- line with the agriculture and Agro-processing Master Plan and Aquaculture:

- Grains and oilseeds
- Fruits and nuts: citrus, deciduous, subtropical fruits and nuts
- Livestock: Poultry, piggeries and red meat
- Other food sectors/ Agro-processing: dairy, sugarcane, aquaculture and vegetables
- Non-food sectors: wool and mohair
- Industrial crops: cotton
- Hemp and cannabis (medicinal purposes)

3.1.8. AGRO ENERGY FUND

The Agro Energy Fund is a form of a blended finance scheme through the Department of Agriculture, Land Reform and Rural Development. The fund is designed to provide financial support for the acquisition of alternative energy property to reduce the impact of power cuts in the agricultural sector. The fund focuses on energy intensive activities such as irrigation, production system and cold chain activities.

3.1.8.1. Targeted producers

- Smallholder producers
- Medium large scale producers

3.1.8.2. Targeted sub-sectors

- Poultry and piggeries
- On-farm processing
- Dairy farming
- Irrigated commodities

- On-farm processing

3.1.8.3. Qualifying criteria (Blended finance and Agro Energy Fund)

South African citizens with a valid ID and/ or registered business entity.

- Black owned and managed farming enterprises that are commercially viable in commodities prioritised in the Agriculture and Agro-processing Master Plan (listed above) and Aquaculture.
- In the case of joint ventures, the non-black partner should have 40% but not less than 26% ownership in the enterprise.
- Enterprises with 10% farm work profit sharing.

3.1.8.4 Funding specifications (Blended finance and Agro Energy Fund)

- Acquire primary agricultural land parcels for agribusinesses and support operating activities for commercially viable businesses in the value chain.
- Support to existing businesses for production expansion on privately owned/ reform farms.
- The purchasing of capital equipment and infrastructure (CAPEX)
- Working capital and/or production loan.

3.1.8.5 Exclusions (Blended finance and Agro Energy Fund)

- Politicians in public office (There is a 12 months cooling period)
- Employees of government and state-owned enterprises (There is a 24 months cooling period)
- Employees of all organisations serving as administrators of the scheme within credit providers
- Special advisors for agricultural programmes (local, provincial and national)
- Foreign nationals, dual citizenship and illegal immigrants
- Part time producers
- Politically exposed persons
- Distressed producers where the grant is required to settle the debt
- Joint ventures with farm workers where farm workers are not involved in the management of the operation.
- Joint ventures where targeted producers exercise less than 60% ownership and voting rights.
- Producers who have mismanaged previous government support.
- Applicants with no provision for farm worker profit sharing.

3.1.8.6 Application process

Please visit the nearest Land bank offices in your area for the applications. For further information you can contact the persons listed below.

3.1.9. CONTACT DETAILS

Location	Physical address	Contact number
Cape Town	Belvedere Office Park, Block C, Pasita Road, Durbanville, 7550	Tel: 021 974 2200

Location	Physical address	Contact number
Beaufort West	74 Bird Street, Beaufort West, 6970	Tel: 023 414 8300
George	55 York Street, George, 6530	Tel: 044 803 8800
Worcester	49 High Street, Worcester, 6850	Tel: 023 342 1756

Alternatively you can contact: <http://www.landbank.co.za> or info@landbank.co.za

3.2. INDUSTRIAL DEVELOPMENT CORPORATION (IDC)



The Industrial Development Corporation is a state-owned developing financial institution which is under the supervision of the Department of Economic Development and Tourism. It is mandated to act as an industrial development agency to facilitate, promote and to assist in the financing of industrial development funding activities. The corporation is a self-financing institution of which the South African government is the sole shareholder. The broad objective of the IDC is to contribute to the economic empowerment and the prosperity of black Africans, by developing viable economies which are sustainable as well as environmentally and socially responsible. One of IDC's objectives, through Agriculture Business Strategic Unit is to invest in the development of projects and businesses that either create new or expand local manufacturing capabilities and enhance competitiveness. This is done by lowering production cost, expanding production capacity and promote value adding to agro-processing activities. Therefore, the grant focuses on agriculture and agro-processing that utilises and develops local and regional resources to supply domestic demand and increase participation in international trade.

3.2.1. AGRO-PROCESSING AND AGRICULTURE STRATEGIC BUSINESS UNIT (SBU)

This business unit provides support to a number of economically viable activities in agro-processing (food and non-food) sectors such as:

- Livestock value chain like cattle, poultry and pigs
- Processing of field crops
- Fishing and aquaculture
- Forestry
- Horticulture including fruit, vegetables, nuts, tea and coffee.

3.2.1.1. Potential beneficiaries

- New and existing companies within the agro-processing and agricultural sector.
- These companies should plan to create new or expand industrial capacity within the economy.
- Funding for expansionary BBBEE acquisitions in the sector where the majority of the acquisition funds remain within the target company for expansionary purposes.

3.2.1.2. Agro-processing and agriculture industry funding

- The funding application must facilitate the creation of new industrial capacity, save and create jobs.
- Risk-sharing from operating private-sector investment partners is non-negotiable and shareholders will have to guarantee the funding of shortfall.
- Equity related funding
 - It is applicable to larger investments
 - Mainly applicable when a project is perceived of strategic importance
 - Only minority interests.

3.2.1.3. Funding structure

- Start-up businesses: IDC's maximum funding equates to 60% of the total funding requirement.
- Expansion projects: IDC's can fund a full expansion if the equity structure at peak is a minimum of 35%.
- Preferred equity structure for start-up projects of at least 50% at peak.
- IDC expects all business partners to have at least a level 5 or 4 accredited BBBEE rating or provide IDC with an undertaking to achieve these rating within a specific period of time.
- BEE empowered, women and youth-owned business are encouraged to apply.
- Value-chain base projects are preferred.

3.2.1.4. Application requirements

- A complete and comprehensive business proposal or business plan should be submitted, specifying all the particulars of the business operation, as the IDC conducts through due diligence evaluation of all proposals and projects.
- Collateral will be dependent on the economic merit of individual applications, as well as the nature of risk of the specific entity.
- The owners and shareholders of the entity seeking funding should have the ability to make an equity contribution.
- Applicants should comply with international environmental standards.
- Applicants should have the potential to economically sustain the entity or project.

3.2.1.5. Funding threshold

- Each business proposal and request for finance is considered on its individual merit, with a minimum loan amount of R1 million.
- This loan amount is charged at prime rate linked interest.

3.2.2. AGRI-INDUSTRIAL FUND

This is a fund that has been established by the Industrial Development Corporation (IDC) and the Department of Agriculture, Land Reform & Rural Development (DALRRD). It is targeting to support a wide range of economically viable activities in agro-processing i.e. food and non-food sectors. The aim is to ensure that industries such as food, beverage, fibre, forestry and agro-derivative are competitive. Furthermore, it seeks to ensure that these industries utilise and develop local and

regional resources to supply domestic demand and increase participation in international trade. This fund assists clients and other businesses operating in agriculture and agro - processing subsectors within the IDC's mandate.

3.2.2.1. Qualifying subsectors

- High-value export-oriented crops: citrus, avocado, table grapes, blueberries, and tree nuts (macadamia, etc.).
- Poultry: contract growers with a minimum 200 000 birds per cycle, independent vertically integrated operations and layers with a minimum of 50 000 birds.
- Livestock: piggeries, cattle, sheep etc. in vertically integrated operations.
- Expansionary acquisitions in all of the above subsectors.

3.2.2.2. Qualifying criteria

- The investee must be at least 60% black owned.
- The acquisition of primary agricultural land parcels and/or commercially viable agricultural sector value chain operating entities (agri-businesses).
- Support existing operations for expansion in production on privately owned or land reform farms (brownfields and greenfields operations).
- The purchasing of capital equipment and infrastructure ("CAPEX").
- Working capital and/or production loan.

3.2.2.3. Funding specifications

- Debt and grant to qualifying applicants only (quasi equity/equity on a case-by-case basis)
- Scheme-related pricing
- The grant cannot be used on its own but in conjunction with IDC funding
- The assessment and approval process will follow current IDC processes
- Owner's contribution will be required.

3.2.2.4. Exclusions

- Politicians who hold public office at the time of application, a cooling period of 12 months after leaving the public office.
- Employees from all three spheres of government.
- Employees of state owned enterprises (SOEs).
- Employees of all organizations serving as administrators of the scheme within credit providers.
- Foreign nationals and illegal immigrants.
- Dual citizens who hold public office in a foreign country.
- Special advisors for agricultural programmes at local, provincial and national levels.
- Part time producer.
- Joint ventures where the targeted producer collectively exercise less than 60% of the voting rights.
- High risk politically exposed persons.
- Producers who have mismanaged previous government support.

- Distressed farmers where the grant is required to settle existing debt.

3.2.3. CONTACT DETAILS

Location	Physical address	Contact number
Cape Town	2817, 28 th Floor ABSA Building Centre, 2 Riebeeck Street	Tel: 021 421 4794

Alternatively you can visit: www.idc.co.za

4. COMMERCIAL BANKS

4.1. ABSA BANK



ABSA is one of the largest financial services providers operating in the South African money markets. The bank is a dedicated strategic and financial partner to the agricultural sector, and therefore it is pursuing a holistic approach to ensure that long term sustainability and optimised profitability is obtained in the agricultural sector. ABSA acknowledges the fact that agriculture is the main driving force for rural development and that the Southern African economy is largely dependent on the performance of the agricultural sector. Therefore, ABSA's agricultural specialist specializes in financial planning and other wide-ranging financial products and services. ABSA Bank has therefore partnered with the Department of Agriculture, Land Reform and Rural Development and Khula Enterprise Finance to accelerate the transformation process taking place in the sector.

4.1.1. SHORT TERM LOANS

- **Credit line**

Credit lines are offered to qualifying clients with a strong capital base. This product is best for farmers that often replace their assets. The business financial position and proven cash flow are the main considerations, rather than the underlying asset. The business's capital budget and replacement programme must show that you need a credit line.

- **Aircraft finance**

It offers credit facility to finance aircrafts. The repayment period is between 6 months to 60 months. Only a special aviation term loan agreement, supported by aviation bond will be considered.

4.1.2. MEDIUM TERM LOANS

- **Commercial Asset Finance (CAF)**

This option provides the farmer with asset finance for all his extensive farming needs such as tractors, bakkies, centre pivots and any other moveable assets. Farmers are given different options which include instalment sales, rentals and leases. There is flexibility attached to loan repayment as it can either be monthly, quarterly or annually.

- **Marine finance**

It offers asset based credit facilities to buy commercial boats registered within South Africa. Only vessels registered in the national vessel register can be bonded with the marine finance.

- **Instalment sale agreement**

For this product, ABSA sells the moveable asset to the business over a negotiated period. The asset is then registered in the name of the business, however the bank is the titleholder of the asset until it is paid in full. The asset ownership is passed to the business once the agreement has been paid in full. The asset is fully repaid over the agreed period or the business can have a residual value, which is paid at the end of the contract. The term of the agreement can be between 6 and 120 months.

- **Financial lease**

For this product, ABSA buys the moveable asset and the business leases from ABSA. It should

be noted that ABSA does provide for maintenance or insurance for the asset. The financial lease is fully repaid at the end of the repayment term; however, the business can choose to take ownership of the asset, return it to the bank or, if the contract included a balloon payment, can enter into a new lease agreement.

- **Operating lease**

This product is also known as a rental agreement, the lease provides the business with a continuous use of the asset rather than ownership. ABSA owns the asset and the lessee does not have the option to take ownership at the end of the term. There is usually a residual value payable at the end of the contract, which is subject to conditions of the individual contract.

- **Sale and leaseback agreement**

This is similar to purchase and repurchase agreements, the business sells the asset to the bank, and then buy it back from the bank by way of an operating lease or instalment sale agreement. The business have a maximum of three months, after commissioning, to finance the asset. The intention must be to finance the asset from the start. This product cannot be used as a money-raising tool.

4.1.3. LONG TERM LOANS

- **Agribusiness mortgage loan**

This option is applicable to purchase or improve fixed property. In this regard, ABSA will offer an agricultural mortgage loan using a mortgage bond over a form of property as collateral. The repayment period is 10 to 15 years. There is flexibility attached to loan repayment as it can either be monthly, quarterly or annually with an option to reduce or postpone instalments. There is also a flexi reserve facility on mortgage loans which enables the farmer to deposit surplus funds to the mortgage loan account, and to withdraw these funds when required.

4.1.4. APPLICATION REQUIREMENTS

Financial assistance is dependent on individual merit and different indicators such as the financial performance and position of the business, the repayment ability, level of risk and the level of collateral.

4.1.5. APPLICATION PROCESS

Please visit your nearest ABSA branch where an agricultural executive or advisor will assist with applying for your product of choice.

4.1.6. FUNDING THRESHOLD

Financing solutions are tailor-made to specifically meet the individual needs of clients.

4.1.7. CONTACT DETAILS

Location	Physical address	Contact number
National	7 th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001	Tel: 0800 227 592 Email: agribusiness@absa.co.za

Alternatively you can visit: www.absa.co.za

4.2. STANDARD BANK



Standard Bank is one of the leading commercial banks in South Africa. The bank is most certainly also contributing to the development taking place in the agricultural sector. Standard Bank is committed to the sector and has been providing a range of specialised financial services and products for over 140 years. Due to the nature of agricultural sector which is characterised by strong cyclical trends, Standard Bank is offering a comprehensive range of financial, investment and risk management solutions across a diverse range of agribusiness products and commodities. Standard Bank is able to develop a holistic approach, by building a thoughtful affiliation and serving with sector value chain participants.

4.2.1. SHORT TERMS LOANS

- **Business overdraft**

This is a tailor-made, flexible solutions that is available to take care of the farmer's daily financial needs. Farmers can ensure that their working capital is accessible in an easy and convenient manner.

- **Business Revolving Credit Plan (BRCP)**

This solution provides farmers with a regular line of credit that is separately operated from their cheque accounts. A business revolving credit plan could be used for financing intermediate assets (physical or biological assets), recurring expenditure or to expand your business. The maximum amount that can be taken is R10 million.

- **Agricultural production loan**

This is a loan available to cover production costs such as seed, fertiliser, chemicals, fuel, animal feed or dips. This loan is payable between four to eighteen months. The applicant has a choice to either repay the loan on a monthly basis or must be paid back in full at the end of each season.

- **Debtor finance**

This type of finance enables businesses to improve cash flow by freeing up funds that are owed to them for work done, products sold, or services rendered. It is a flexible financing option that creates working capital by converting unpaid sales invoices into cash, thus giving your agribusiness access to finance that is directly linked to your turnover.

4.2.2. MEDIUM LOANS

- **Fixed term business term loans**

This option is applicable to finance moveable assets and fixed property for a period of up to 10 years.

- **Medium term loans**

This option is applicable to finance farm related assets with an extended economical life-span.

4.2.3. LONG TERM LOANS

- **Agribusiness mortgage loan**

This option is available to purchase or develop fixed property. In this regard, Standard Bank will offer an agricultural mortgage loan using a mortgage bond over a form of property as

collateral.

- **Flexi reserve facility on mortgage loans**

This option is available on application of the farmer and enables the farmer to deposit surplus funds into the mortgage loan account, and to withdraw these funds when required.

- **Vehicle and asset finance**

This option is available on application of farmers to acquire fixed assets according to their economic life span.

- **Agricultural Black Economic Empowerment (AgriBEE)**

The product finance is directed to Black Small and Medium Enterprises (BSME) individuals to produce goods for local and international markets by providing short, medium, and long term loans.

4.2.4. POTENTIAL BENEFICIARIES

These loans are applicable to all the participants in the agricultural value chain, from producers to distributors.

4.2.5. APPLICATION REQUIREMENTS

Financial assistance is dependent on individual merit and different indicators, such as the financial performance and position of the business, the repayment ability, and level of risk and the level of collateral.

4.2.6. APPLICATION PROCESS

An applicant can visit the nearest Standard Bank branch where an agricultural executive or advisor will assist with applying for your product of choice or apply online on Standard Bank website.

4.2.7. FUNDING THRESHOLD

Solutions are tailor-made to specifically meet the individual needs of clients.

4.2.8. CONTACT DETAILS

Location	Physical address	Contact number
National	5 Simmonds street, Selby, Johannesburg, 2001	Tel: 011 344 5143 E-mail: SBSA.Agriculture@standardbank.co.za

Alternative you can visit: www.standardbank.co.za

4.3. NEDBANK



Nedbank is a financial institution which aims at assisting every individual regarding credit cards, saving, investing, home loans or vehicle finance. Regarding to agriculture, Nedbank assists farmers with funds in relation to agronomy, horticulture, livestock and secondary agriculture.

4.3.1. SHORT TERM SOLUTION

- **Agricultural production loan**

This is the loan that assists farmers in financing their production inputs such as fertiliser, seed and diesel. The product takes into account seasonality, the need to hedge prices, as well as the procurement of crop insurance.

- **Overdraft finance**

This is a current account with an overdraft facility or a short term loan.

- **Debtor finance**

This product serves as debtor management service, which assists in maintaining a constant cash flow.

4.3.2. MEDIUM TERM SOLUTION

- **Medium term loan**

This loan is utilised to grow the business either by buying livestock, make improvements to the fixed assets or established orchards. This option also allows the withdrawal of surplus funds arising from excess payments).

- **Instalment sale agreement**

Nedbank offers financing on movable assets with cash flow at friendly repayment structures.

- **Agri trade finance and debtor management**

A creative approach to trade finance and interlinking risk control means one can optimise the risk-return relationship. Key components offered include:

- Post import financing
- Pre-export financing
- Discounting of bills
- Hedging.

4.3.2. MEDIUM TERM SOLUTION

- **Agri NedBond**

The agribusiness section of Nedbank specialises in financing fixed property or capital improvements to fixed property. They offer flexible finance to buy or enhance fixed property, incorporating interest-only periods and repayment options of up to a period of fifteen years.

4.3.4. VALUE ADDED SOLUTIONS

- **Structured finance solutions**

This product is for mergers and acquisitions, empowerment finance and capital expansion, with an innovation full spectrum approach to your requirements.

- **Export credit finance**

It is a suitable long term solution when one is purchasing or selling capital equipment.

- **Global commodity finance**

This is a product suitable for structured trade and transactions related to commodity finance

mainly focusing in Africa.

4.3.5. CONTACT DETAILS

Office location	Physical address	Contact number
Head Office	135 Rivonia Road Sandown Sandton, 2196	Tel: 0860 116 400 E-mail address: agriculture@nedbank.co.za
Paarl	35 Main Road, Paarl, 7646	Tel: 021 807 1000

Alternatively you can visit: www.nedbank.co.za

4.4. FIRST NATIONAL BANK



First National Bank (FNB) is an integrated financial service provider, which is no stranger to the agricultural sector. It offers a comprehensive package of financial solutions to its South African agricultural clients. It is evident that innovation is the key driver in FNB's business operations, thus clients can be assured that FNB will fulfil their financial needs to the best of the bank's ability; by designing financial solutions, which best fit the client's individual circumstances. The "How can we help you" slogan of FNB is taken far beyond an effortless approach, forming the bank's holistic centre point of its operations and extends to engage in local and rural community development initiatives. Due to environmental sustainability, FNB is creating access to finance for the agricultural sector to ensure enterprise development and economic growth collectively.

4.4.1 SHORT TERM LOANS (FNB OVERDRAFT)

This option is available to assist with working capital for day-to-day expenses such as the purchase of seasonal production inputs. It is packaged in the form of a current account that is interlinked with an overdraft facility or credit facility. There are various benefits associated with this product and can be stated as follows:

- Overdrafts are normally repayable on demand and reviewed annually.
- The interest rate is linked to the prime lending rate.
- Debit balances are usually repaid after the harvesting season.

4.4.2 MEDIUM TERM LOANS

This option is medium termed and can be used as a financial solution to farmers who are in need of financial assistance in order to execute their farming activities. There are various types of product loans offered under the medium term and can be stated as follows:

- **Finance for perennial crops, livestock and infrastructure**

This product loan aims to assist in financing part or with all annual production input costs, capital expenditure and livestock; including game, purchases and farm property improvements. It is best suitable for when the loan amount can be repaid within five years or less. It is important to note that the repayment ability of the business will determine the repayment term.

- **Finance for production projects and expanding production capacity**

This product loan can be used to finance the expansion of the farm's production capacity. It can

be used for the establishment of orchards and vineyards, livestock purchases and production infrastructure such as dairy and poultry facilities. It is perfect for established farmers or farmers with proven financial track records. The repayment term for this loan varies from five to ten years. It can be noted that the capital repayment can be suspended for a limited period at the beginning of the repayment period.

- **Asset finance**

The purchase of vehicles, machinery and plant assets can be financed through WesBank a partner of FNB.

4.4.3. LONG TERM LOANS

This option is designed as a mortgage facility, and can be used to purchase fixed assets such as farmland and to assist with capital improvements (buildings, dams and fencing). The size of the loan is linked to the valuation of the property to be mortgaged as security, the level of indebtedness and the extent to which you are able to repay the loan. The loan term is up to 15 years.

4.4.4. POTENTIAL BENEFICIARIES

All participants in the agricultural value chain, from producers, processors, input providers or any agribusiness.

4.4.5. APPLICATION REQUIREMENTS

Financial assistance is dependent on individual merit and different indicators, such as the financial performance and position of the business, the repayment ability, the level of risk and the level of collateral.

- Contact the relationship manager in the area, or a branch to discuss with a business manager.
- The applicant must provide the required personal and business details
- The business plans, budgets and cash flow forecasts to support the loan application and to substantiate the loan amount required must be supplied.

4.4.6. APPLICATION PROCESS

An applicant can visit the nearest First National Bank branch where a business manager can will assist with applying for your product of choice. Alternative you can contact a relationship manager to discuss and assist with an application.

4.4.7. FUNDING THRESHOLD

Solutions are tailor-made to specifically meet the individual needs of clients.

4.4.8. CONTACT DETAILS

Responsible area	Physical address	Contact number
National	FNB Building, 1 Enterprise Road, Fairlands	Bertie Huggett Head of FNB Business Agriculture Email: agric@fnb.co.za
		Teresa le Roux Tel: 082 577 7091 Email: teresa.leroux@fnb.co.za
Western & Eastern Cape	3 rd Floor, Willowbridge Place ,Cnr. Old Oak and Carl Cronje Drives, Tygervalley, 7530	Arno Cloete Regional Head Tel: 087 736 6413 or 082 302 3621 Email: arno.cloete@fnb.co.za
Overberg	3 rd Floor, Willowbridge Place ,Cnr. Old Oak and Carl Cronje Drives, Tygervalley, 7530	Vacant
Boland	3 rd Floor, Willowbridge Place ,Cnr. Old Oak and Carl Cronje Drives, Tygervalley, 7530	Andries Van Zyl Agricultural Manager Tel: 012 678 9360 or 073 280 8703 Email: andries.vanzyl@fnb.co.za
West Coast & Cape Metro	3 rd Floor, Willowbridge Place ,Cnr. Old Oak and Carl Cronje Drives, Tygervalley, 7530	Chrismaine Abrahams Agricultural Manager Tel: 072 605 3862 Email: chrismaine.abrahams@fnb.co.za

Alternatively, general enquiries can be directed to agric@fnb.co.za

5. AGRICULTURAL COMPANIES

5.1. CAPITAL HARVEST (PTY) LTD



Capital Harvest (Pty) Ltd is a niche agricultural finance company for the primary and secondary agricultural market; based in the Stellenbosch area. It has a solution-driven approach to agricultural finance, emphasis on sustainable relationships, taking and managing calculated financial risks and taking of ownership of every transaction differentiates the company in the market.

5.2.1. FINANCIAL PRODUCTS AND SERVICES

- **Term loan**

Repayment terms of up to 15 years are available for financing of farmland, immovable assets and expansions/improvements to such property (e.g. vineyard and orchard plantings). Term loans are structured in a way that will match the repayment ability of the underlying asset with the cash flow generated by that asset.

- **Instalment sale agreements**

Financing is made available for all agriculture related moveable assets with repayment terms of up to 60 months.

- **Winter and summer facilities**

The product provides production finance for grain farmers growing winter and/or summer crops; and is suitable for farmers in lower risk areas with finance that is considered against the strength of the balance sheet of the particular client.

- **Revolving credit facility**

The facility is made available depending on the cash flow needs of the business and is reviewed annually. Funds are transferred to the cheque account of the business upon request and can be deposited in the revolving credit account as soon as there is surplus cash available.

5.2.2. CONTACT DETAILS

Office location	Physical address	Contact number
Stellenbosch	18 Papegaai street, Stellenbosch, 7600	Tel: 021 886 7030

Alternatively you can visit: www.capitalharvest.co.za

5.2. HORTFIN



Hortfin is a ring-fenced loan facility aiming to assist farmers in the deciduous fruit industry value chain. It aims at providing innovative and comprehensive financing and support systems in a manner that promotes job creation, transformation and sustainability.

5.2.1. PRODUCTS FINANCED

- Orchard establishment
- Production finance / working capital

- Equipment and movable assets
- Infrastructure
- Equity investment to increase black ownership linked to expansion.

5.4.2. ELIGIBILITY CRITERIA

- The application must relate to the deciduous fruit value chain within the pome, stone, table and wine grapes industries.
- Be able to create sustainable permanent and seasonal jobs within the 3 year implementation period at an approximate cost of R300 000 per job.
- Be at least 51% black owned or reach at 51% black ownership at the signing of the funding agreement.
- Must be a “juristic person” in the form of a company, trust or cooperative.
- The business must have the ability to meet the repayment obligations.
- Must consent to appropriate post investment support, which includes mentoring, capacity building, reporting, implementation of financial and admin systems and regular monitoring and evaluation audits.

5.4.3. LOAN SPECIFICATIONS

- The loan size varies from R2.5 million to R35 million.
- Interest rates in the range of prime less 2% to prime plus 1% depending on the risk profile.

5.4.4. CONTACT DETAILS

Location	Physical address	Contact number
Paarl	Postal address: 258 Main road Paarl 7646	Tel: 021 870 2900 Email: carlo@hortfin.com michael@hortfin.com

Alternatively you can visit: www.hortfin.com

5.3. PUMPKIN.IO



This is an institution that aims to support small and medium-sized businesses that exist in the agricultural and food production industries. There are different financing products offered that can be discussed as follows:

5.3.1. PRODUCTS OFFERED

- **Supplier Financing**

This product aims to assist producers who need inputs for the production season. Inputs such as seeds and fertilisers are among those that get financed.

- **Loan Amount:** From R20, 000 to R100, 000
- **Loan Terms:** Up to two months
- **Interest Rate:** The interest rate varies based on different factors that are taken into account

such as affordability, markets, etc.

- **Contract Financing**

This product seeks to assist producers who need funds to keep their business operations running and be able meet their contractual obligations.

- **Loan Amount:** From R100, 000 to R5 million.
- **Loan Terms:** up to six months.
- **Interest Rate:** The interest rate varies based on different factors that are taken into account such as affordability, markets, etc.

- **Invoice Financing**

This product assist with providing a loan to keep business operations running smoothly while waiting on outstanding invoices to be paid.

- **Loan Amount:** R50, 000 to R5 million.
- **Loan Terms:** one to six months.
- **Interest Rate:** The interest rate varies based on different factors that are taken into account such as affordability, markets, etc.

- **Expansion Finance**

This product is available to producers who require to expand their businesses through purchasing new facilities or upgrading existing ones. Furthermore, it assists even those businesses that wish to expand to new markets.

- **Loan Amount:** R50, 000 to R300, 000
- **Loan Term:** Up to 18 months
- **Interest Rate:** The interest rate varies based on different factors that are taken into account such as affordability, markets, etc.

5.3.2. QUALIFYING CRITERIA

- The business must have been operating for atleast three years.
- The business must have an annual turnover of R1 million or more.
- Must have director ID and proof of CIPC registration.
- Have latest six months bank statements.

5.3.3. CONTACT DETAILS

Location	Physical address	Contact number
Johannesburg	The Heritage Firestation, 16 Baker street, Rosebank, 2193	Tel: 067 7998 595

Alternatively you can visit: www.pumpkin.io

6. DEVELOPMENT AGENCIES

6.1 NATIONAL YOUTH DEVELOPMENT AGENCY



The National Youth Development Agency commonly known as NYDA was launched in 2009 as a result of the merger of the National Youth Commission and Umsobomvu Youth Fund. NYDA's mandate is to create and promote co-ordination in youth developmental issues and is created to tackle challenges that are facing the country's youth. This can be achieved through economic development, decent employment creation, social cohesion and monitoring and evaluation of the integrated youth development strategies.

6.1.2. NYDA'S GRANT PROGRAMME

The grant programme is designed to provide the youth (young entrepreneurs) with an opportunity to have access to financial and non-financial business development support, for youth to grow their businesses. This programme focuses on youth entrepreneurs who just started and are not fully developed but show potential in the future. The NYDA also provides non-financial support to those applicants whose business ideas qualify for the grant programme.

The non-financial support services includes; mentorship, market linkages, entrepreneurship development programme, voucher programme and youth co-operative development programme. Grants will be issued to individuals, co-operatives and community development facilitation projects and it is compulsory for successful applicants to participate in the non-financial programme for a minimum of two years. NYDA provides grants from R1 000.00 to R500 000.00 depending on the developmental stage of the business. For agriculture and technology related projects, the maximum threshold is R300 000. There are four (4) thresholds under which grant is offered:

Threshold 1: Survivalist businesses

- Grant is from R1, 000.00 – R20, 000.00.
- These businesses should have a complete application form.
- Business plan on NYDA template completed by hand in blank ink.
- Bank account and proof of supplier banking details are required.
- Recent sales records.
- Declared orders.
- Recently certified copied of training qualifications.
- CVs of the employees and ID copies.
- Cover letter explaining the use of funding and the reasons for the quoted quantities of equipment.
- Formal quotations from registered suppliers within South Africa not older than three months.
- Entrepreneurial Development Programme or business skills training is compulsory. An applicant can contact NYDA about attending the trainings.

Threshold 2 : Startup businesses

- Grant is from R20, 001.00 – R50, 000.00
- Must submit a business plan completed by hand in black ink and on NYDA template.

- The business must be registered, registration certificate is required.
- Business profile.
- Recent sales records.
- Declared orders.
- Recently certified copies of training qualifications.
- Entrepreneurial Development Programme or business skills training is compulsory. An applicant can contact NYDA about attending the trainings.
- Cover letter explaining the use of funding and the reasons for the quoted quantities of equipment.
- Formal quotations from registered suppliers within South Africa not older than three months. Items must be defined as either stock or equipment.
- Bank account and proof of supplier banking details are required.
- Skills necessary to operate the business are required.
- The business must create or sustain at least 1 additional job for at least one young person, excluding the owner.

Threshold 3: Growth businesses

- Grant is from R50 000.01 to R100 000.00 for threshold 3.
- Business registration certificate.
- Must have a business plan with 3 years financial projections.
- Sales records for 12 months are required.
- Must have 6-12 months record for expenses.
- Declared orders.
- Recently certified copies of training qualifications.
- Business management training certificate or Entrepreneurial Development Programme is required unless the business has been in operation for 2 years and the proof is provided.
- Cover letter explaining the use of funding and the reasons for the quoted quantities of equipment.
- Formal quotations from registered suppliers within South Africa not older than three months.
- CVs of the employees and recently certified ID copies.
- The business must create or sustain at least 2 jobs, excluding the owner.
- Bank account and proof of supplier banking details are required.
- Skills necessary to operate the business are required.
- A business must have a contract in place.
- The business must be operational for at least 12 months minimum.

6.1.3. POTENTIAL BENEFICIARIES

• Individuals

Formal and informal businesses grants will be issued to individuals who are at the promising and start stage.

• Co-operatives

Are autonomous associations of persons united voluntarily to meet their common economic and social needs and aspirations through a jointly owned and democratically controlled enterprise

organised & operated on co-operative principles.

- **Community development facilitation projects**

The NYDA will also facilitate a process of community development through identifying projects that will be funded through NYDA funds and/or funds sourced from partners.

6.1.4. FINANCIAL SERVICES

- Working capital
- Asset finance
- Stock purchases.

6.1.5. APPLICATION PROCESS

- **Pre-assessment**

NYDA aspiring applicants will be requested to complete pre-assessment. The purpose of pre-assessment is to evaluate the business concept / idea and the stage of the business in terms of performance, business skills of the owner and employees. NYDA will also assess the feasibility and sustainability of the concept and determine if the aspiring applicant meets NYDA's qualifying criteria.

NB: Credit check will be conducted on all applicants.

- **Entrepreneurship development program EDP Training:**

Entrepreneurship development program (EDP) is a program designed to train and inculcate the spirit of entrepreneurship and business development in young people. After the training if the applicant still qualifies in terms of NYDA qualifying criteria, the aspiring applicant will be requested to collect documents to submit attached with grant application.

NB: If your business has been operational/trading for more than 6 months, you may choose not to attend the training.

6.1.6. FUNDING CRITERIA

- South African citizens and are resident within the borders of South Africa.
- Applicant/s should be involved in the day-to-day operation and management of the business.
- Applicants are between the ages of 18 - 35 years with skills and experience for the enterprise/s they conduct or intend to conduct.
- Operate their business formally or informally.
- Have a profit motive, commercially viable and are sustainable.
- Members of entities comprise 100% South African citizens (youth).
- The minimum persons for cooperatives is 5 persons.
- Full time employed applicants should resign upon approval of the grant and provide proof of resignation to the grant officer.
- Proof of attending business management training course.
- The business turnover must not exceed R750 000,00 per annum.

6.1.7. CONTACT DETAILS

Location	Physical address	Contact number
Cape Town	18a Piazza, Golden Acres, Adderley street	Tel: 087 158 7701/0800 52 52 52

Alternatively you can visit: www.nyda.gov.za

6.2 SMALL ENTERPRISE FINANCE AGENCY

Small Enterprise Finance Agency

Small Enterprise Finance Agency abbreviated, as SEFA is a state-owned company (SOC), established in 2012 resulting from a merger of Khula Enterprise, South African Micro Apex Fund (SAMAF) and small business activities of the Industrial Development Corporation (IDC). SEFA is mandated to address the challenges faced by Small, Medium and Micro-sized Enterprises (SMMEs) such as access to financial support. Moreover, SEFA is targeting sustainable SMMEs and cooperatives that are unable to attract commercial credit because applicants are blacklisted, lack security or there is no initial cash flow.

6.2.1 PRODUCT OFFERING

Small Enterprise Finance Agency's products ranges between R50, 000.00 and R15, 000 000.00 and the repayment of the loan duration is up to the maximum of 60 months depending on the credit option and in order to apply, the applicant must be a South African citizen or a permanent resident. There are a lot products offered by SEFA but the financial assistance that is directed to agricultural sector is in relation to the following:

- Agro-processing
- Cash crop contract farming

6.2.1.1 Direct lending

- **Asset finance**

This type of finance is used to purchase new and used moveable assets such as machinery and equipment. Assets purchased through this funding must have a serial number because they can be used by SEFA as a security for the loan. The loan repayment term is up to a maximum of 5 years (60 months) or the economic life of the asset.

- **Bridging loan**

A bridging loan is a short-term loan that is provided to an enterprise to finance its working capital such as stock and operating overheads. It is a credit facility designed for business-to-business transactions and is usually suitable for businesses that have secured firm contracts with other businesses. A bridging loan allows a business to meet short term obligations by providing immediate cash flow.

- **Start-up loans**

Start-up capital is financial assistance needed to start a new business. This loan ensures that the enterprise has enough capital to start the business up until the business is sustainable. The repayment

duration of this type of loan is up to 5 years (60 months).

- **Term loans**

This type of loan offer businesses cash to buy other forms of moveable assets that cannot be identified by serial numbers like equipment and machinery, such assets includes office furniture, fittings etc. Businesses can purchase fixed assets like equipment that is used in the production processes. The repayment of the term loan ranges between 12 months and 60 months.

- **Revolving loans**

Revolving loans are used for operating purposes and the amount varies from month to month depending on the cash flow needs of the applicant. This service is provided to existing established businesses with credit record that is satisfactory. The maximum repayment duration is 12 months or the duration of the contract.

6.2.2.2. Direct lending programmes

- **Youth challenge fund (YCF)**

The Youth Challenge Fund is a fund that seeks to fulfil the commitment made by the President in his 2021 State of the Nation Address to support 15, 000 youth starts-up businesses. The YCF provides financial support in a form of a blended finance-funding model combining loan with an interest rate limited to 5% and grant through SEFA. The blended finance funding model comprises of 70% loan and 30% grant. Furthermore, YCF also provides non-financial support through the Business Development services.

- **Objectives**

- To invest in youth to accelerate inclusive growth and sustainable development.
- To fight the youth unemployment in the country.
- To respond to the negative impact of the COVID-19 crisis and the reduction of the creation of businesses, challenging their survival, and limiting their growth.
- To bridge the significant funding gap in the market for start-up, youth-owned enterprises.

- **Funding criteria**

- Applicants must be between ages of 18 to 35.
- Must be registered with CIPC and be prepared to register with SARS & UIF.
- Must be 100% South African owned.
- Must be involved in the day-to-day operation and management of the business with at least one or more of the members being fulltime employees of the business, especially the main applicant.
- Must be prepared to participate in business development support and mentorship (pre and post)
- The business idea must be commercially viable, sustainable and feasible.

- **Exclusions**

- Funding towards an existing debt with another institution.
- Activities that have already been funded by other government departments.
- Government and SOE officials are excluded as well as gambling, pyramid schemes, loan sharks and/or operations considered as illegal activities, guided by credit policy and grant policies of the entities.

- Fraud and corruption record
- Unrehabilitated insolvent applicant
- **Eligibility criteria:**
 - All entities (including co-operatives) must be registered with CIPC.
 - The business must be 100% owned by South African nationals.
 - Employees must be 70% South Africans, and non-South African employees must have a valid work permit.
 - Must be operating in a township or rural area.
 - Must possess or willing to apply for a business license after funding has been approved, with the local municipality.
 - Must be registered or apply to be registered with SARS and UIF.
 - Must have a valid business bank account.
- **Conditions**
 - Willing to participate in the DSB/SEDA facilitated business development process.
- **Amavulandlela funding scheme**

The Amavulandlela scheme is designed solely for entrepreneurs with disabilities. Entrepreneurs who can apply must have at least 51% ownership. The scheme will offer entrepreneurs with disabilities the standard credit facilities ranging from R50 000 up to R15 million at a preferential fixed interest rate of 5% per annum. Repayment terms for facilities will be up to 60 months. The actual loan duration will be subject to the projected cash flows of the business. Normal SEFA loan administration fees will apply.
- **Application criteria**
 - The disabilities will have to be verified.
 - The entrepreneur will have to be operationally involved in the daily running of the business.
 - Funding will be granted to businesses that seek to expand and meritorious start-ups; or to fulfil orders or contracts.
 - Financing applications must have economic merit (financially sustainable and technically feasible).
- **Exclusions**
 - Labour brokers
 - Manufacturers and sellers of ammunition
 - Tobacco, liquor, gambling and sex trade.
 - Non-profit organisations.
 - Political organisations.
 - Persons under debt review.
 - Un-rehabilitated insolvent shareholders and/or directors of applying entities.
 - Primary agriculture (except cash crops and the applicant must have an off take agreement).
 - Speculative property development.

6.2.2. CONTACT DETAILS

Location	Physical address	Contact number
Cape Town	9 th floor, FNB Building, 2 Long Street	Tel: 021 418 0126
Saldanha Bay	Tonyn Street	Tel: 022 714 1713
George	1 st Floor Beacon Place, 124 Meade Street	Tel: 044 874 4770

Alternatively you can visit: www.sefa.org.za

6.3. ENABLIS ACCELERATION FUND



The Enablis Acceleration Fund is a partnership between Enablis Financial Corporation SA (Pty) Ltd and Khula Enterprise Finance Limited. It is currently capitalised at R50 million. The main objective of the fund is to improve access to SME early stage funding, while reaching out and supporting SME's that are developing in remote or rural areas with a view to creating new sustainable jobs that alleviate poverty and reduce unemployment. This acceleration fund offers equity and debt instruments over loan periods no longer than 60 months.

6.3.1. REQUIREMENTS IN ORDER TO QUALIFY FOR THE FUND:

- South African SME's that are accredited by the Enablis entrepreneurial network.
- Black and women entrepreneurs for start-ups and the expansion of a business.
- SME's involved in all sectors, specifically ICT, transport, tourism, agriculture and services industry.
- SME's that need working capital and or asset finance.

6.3.2. HOW TO APPLY FOR ENABLIS ACCELERATION FUNDING

To become a member and start on your journey with Enablis, visit the "Join Enablis" section at <http://www.enablis.org/> and fill out the application form. The appropriate chapter manager will contact you.

6.3.3. CONTACT DETAILS

Location	Physical address	Contact number
Cape Town	Suite 202 Sir Lowry Studios, 95 Sir Lowry Road	Tel: 021 422 0690

Alternatively you can visit: www.enablis.org

6.4. NATIONAL EMPOWERMENT FUND



The NEF is a driver and thought leader in promoting and facilitating black economic participation by providing financial and non-financial support to black empowered businesses, and promoting a culture of savings and investment among black people. The NEF is an agency of the Department of Trade and Industry mandated to grow black economic participation. Accordingly, its funding mandate is directed by the codes of good practice on Broad-Based Black Economic Empowerment, as well as by the industrial policy action plan (IPAP). The NEF provides business loans from R250 000 to R75 million across a range of sectors, for start-up, expansion and equity acquisition purposes. A key requirement for NEF funding is for the investees to be directly involved in the operations of their businesses.

6.4.1. PRODUCTS OFFERED BY NEF

There are many products offered by NEF; however this book only focused on the agricultural related funds i.e. entrepreneurship fund and rural and community development fund, Entrepreneurship fund is mainly for starting a new business and can be financed from R250 000 - R10 million. Rural and community development fund targets agri-processing, tourism, mining and beneficiation, manufacturing, aquaculture etc. The amount that can be financed to a project ranges from R1 million - R50 million. NEF also offers the woman empowerment fund which is targeting businesses owned by black women. The fund starts from R250 000 to R75 million across various sectors. It caters for start-up businesses, expansions and equity acquisition purposes.

6.4.2. FUNDING CRITERIA

- Minimum percentage of black ownership or interest
- Black women empowerment
- Black managerial and operational involvement
- Commercial viability of the business, product criteria
- Job creation
- Geographic location of the business (rural/urban/disadvantaged areas)
- Community involvement
- Compliance with all the relevant laws and regulations
- Return on investment
- The possibility of co-funding with another public or private sector institution.

6.4.3. CONTACT DETAILS

Location	Physical address	Contact number
Cape Town	28 th Floor, ABSA Centre, 2 Riebeeck Street	Tel: 021 431 4760

Alternatively you can visit: www.nefcorp.co.za

6.5. IDENTITY DEVELOPMENT FUND (IDF)



Identity Development Fund is an organisation that leads in developing innovative financial products with the additional benefit of being integrated with non-financial support. The aim of IDF is to focus on unlocking the value of entrepreneurial sector through investment instruments and advisory services for institutional and corporate services.

6.5.1. PRODUCTS OFFERED

The IDF fund is categorised into two sections namely; investment instruments which is a fund that targets the entrepreneurial SME investment and development and advisory services on strategy implementation of a new project which is a fund that targets the development of entrepreneurs. These investment instruments are listed below as follows:

- **Cash flow financing**

Cash flow financing is a form of bridging finance, which allows businesses to manage their cash flow and working capital more efficiently. The short-term loans are for a period from 1 to 12 months and the loan size amount are up to R3 million.

Qualifying criteria

- Be a qualifying supplier linked to an established corporate supply chain.
- Have a verifiable debtor partner invoice.
- Generates healthy revenue.
- Have a minimum of 6 months trading history.
- Purchase order value of R250k and more
- Be SARS compliant.

- **Term debt financing**

Term-debt financing allows investing in asset finance, contract finance and franchises. The term of the loans are between 1 year to 5 years with a loan size from R250 000.00 to R5 000 000.00.

Qualifying criteria

- For your business to qualify for IDF capital term-debt financing you need to:
- Have contracted future sales and stable forecasted profits.
- Have strong visibility of cash flows.
- Show solid and stable profit history.
- Have a minimum of 6 months trading history or a solid off take agreement.

- **Venture capital**

Capital is invested in early stage projects with a substantial element of risk, typically ICT businesses when they are at their early stages. The funding is for businesses in their early stage growth as well as for start-up finance application. The investment size are from R250 000 to R10 million.

Qualifying criteria

For your business to qualify for venture capital financing you need to:

- Be a high-growth business, with a clear unique selling proposition.
- In ICT, have a proof of concept.
- Have a clear market entry strategy.

- Offer a clear exit strategy.

- **Private equity**

Private equity is finance for established firms that can benefit greatly from change in management and an injection of new capital. This funding is for established businesses with 3-5 year track record and the investment size range from R250 000.00 to R20 million.

Qualifying criteria:

For your business to qualify for IDF capital private equity financing you need to:

- Be an established but high-growth potential business.
- Have a strong and committed management team. Offer a clear exit strategy.

6.5.2. FUNDING CRITERIA

- Black owned, managed by woman and youth (51% or more)
- Growth centric sectors and businesses.
- Minimum six months post revenue operational track record (exceptions made for businesses in the technology industry).
- Potential for profitability and commercial sustainability.
- Scalable business models.
- Sound management and good governance in place.
- Are willing to receive post investment value added services.
- A clear exit strategy it is important to note that in agriculture, this fund only finances the businesses involved in agro-processing, it does not fund primary agriculture.

6.5.3. CONTACT DETAILS

Location	Physical address	Contact number
Johannesburg	33 Fricker Road, 2 nd Floor, Illovo, Sandton, 2196, South Africa	Tel: 011 772 7945 Email Address: info@idf.co.za

Alternatively you can visit: www.idf.co.za

7. CONCLUSION

The Western Cape Department of Agriculture trusts that this Financing options for Agricultural Businesses is of value to those involved in the Western Cape agricultural sector. Furthermore, the Western Cape Department of Agriculture believes that the information subsumed in this document will allow farmers to “shop around” for better and more cost effective financing agreements.

We would like to express our gratitude to all the financing institutions contained in this document for permitting us to publish their institutional information.



**Western Cape
Government**