



Western Cape
Government

Agriculture

BETTER TOGETHER.



Sources of Finance for Agricultural Businesses

Programme: Agricultural Economics
Division: Production Economics

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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 operations. Finance is required for the purchase of different types of agricultural implements and high quality seeds, for making marketing arrangements, for storage etc.

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

General documentation required by financial institutions before processing a loan application

- Business plan
- Family tree of group
- Organogram of management and staff
- Latest financial statements or, in the case of a sole proprietor, a written confirmation of earnings from an accountant
- Management accounts (required upfront should financial statements be older than six months)
- Projected balance sheets and income statements
- Cash flow projections with assumptions
- 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)
- Personal financial statements for members/directors/trustees
- Lease agreement if applicable
- Copies of contracts secured, if any
- Confirmation from the auditors with regard to the shareholders of the company as well as present shareholding
- Debtors and creditors age analysis
- CVs of business principals
- Copies of ID document and marriage certificates
- Proof of physical address
- Full property description of fixed property together with a six month bond statement
- Disclosure of any claims, attachments, etc. by other financial institutions

WESTERN CAPE DEPARTMENT OF AGRICULTURE

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 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; and financial assistance through the Micro-Agricultural Financial Institution of South Africa (MAFISA).

CASP is currently being administered under the Farmer Support and Development Directorate of the Western Cape Department of Agriculture, in association with its governmental implementation partner, CASIDRA (Pty) Ltd. The FSD programme is centred around 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. Continuous extension services and assistance should rather be provided to farmers to ensure they manage these funding mechanisms obtained from national government in a more ordinal manner.

Potential Beneficiaries

Agriculture related projects that include vulnerable communities in the Western Cape, according to the following four levels:

- ❖ The hungry and the malnourished
- ❖ Household food security and subsistence
- ❖ Farm and business level activity
- ❖ Agricultural macro-system: consumer and economics environment

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.

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. It is important to ensure that a completed CASP request form and a detailed business plan be handed in to your nearest provincial district office.
- ❖ This will ensure that your project is registered at the district office. This serves as a recommendation for the application process.
- ❖ It is important that the detailed business plan outlines the financial needs of the business entity.

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.

CONTACT DETAILS

District	Town	Address	Contact Number
Head Office	Stellenbosch	Elsenburg, Muldersvlei	(021) 808-5112
Garden Route	George	Outeniqua Research Farm, Old Airport Road	(044) 803-3713
Little Karoo	Oudtshoorn	PO Box 351, Oudtshoorn, 6620	044 242 6077

District	Town	Address	Contact Number
Central Karoo	Beaufort West	104 Bird Street	(023) 415-3134
Overberg	Bredasdorp	Albert Myberg Hostel, Golf Street	(028) 424-1439
Cape Winelands	Stellenbosch	4 th Floor, ABSA Building, Plein Street	(021) 883-2562
Cape Metropole	Bellville	Goulbourn center C/o Voortrekker & Goulbourn road Goodwood 7460	(021) 483 7785
North West Coast	Vredendal	PO Box 130, Vredendal, 8160 C/o Matzikama and Noordweg Street, Vredendal, 8160	027 213 2000
Swartland	Moorreesburg	42 Lang Street, Moorreesburg	(022) 433-2330

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES



There are various funds offered by the Department of Agriculture, Forestry and Fisheries with the aim to create employment, eradicate poverty, improve food security and enhance economic growth in South Africa. However; the focus of this booklet will mainly be on Agricultural Black Economic Empowerment (AgriBEE) Fund and Micro Agricultural Financial Institution of South Africa (MAFISA) loans.

AgriBEE FUND

The AgriBEE Fund was established by the Department of Agriculture, Forestry and Fisheries along with its strategic partner Land Bank. It draws back from the AgriBEE Charter for its scope and thus the entire agricultural value chain. Its main aims are to promote the entry and participation of black people in the entire agricultural value chain through the provision of funding for equity deals, acquisition of

interests in agricultural entities and enterprise development (SMMEs). This enables people who were previously marginalized to participate in the economy of South Africa and ensures that there is an increased number of black people who own, manage and control sustainable enterprises in the agricultural sector. It also allows for improved participation by designated groups as indicated in the AgriBEE Charter, namely: black women, black youth, black farm workers and black people living with disabilities, throughout the agricultural value chain. The fund is managed and administered by the Land Bank and the DAFF's responsibility is to oversee the AgriBEE fund and its impact.

Financial Products and Services

New Equity Deals

This is mainly for the empowerment of designated groups who are starting new projects, which would result in their equity ownership and/or acquiring other interests in an agricultural business enterprise.

Increasing Equity Ownership and Interest Acquisition

This is mainly for funding increased equity share and/ or other interests in a measured agricultural entity.

Enterprise Development Initiatives

This is funding for the support of development initiatives as outlined in the AgriBEE Charter/Sector Codes.

Potential Beneficiaries

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

Prerequisites for Funding

- ❖ The applicant (i.e. individual or entity/group) must be black and the project 100% black owned.
- ❖ Supporting documentation is required 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.
- ❖ It is important to have an acceptable form of collateral/ security; these will include amongst others life or crop insurance.
- ❖ Preference will be given to the project applicant whose membership consists mostly of black women, black youth, black people with disabilities and black farm workers, and whose proposal is linked to a commodity strategy of a specific commodity group.

Conditions for Funding

The management of the applicant entity must be skilled in financial and project management before they can start utilizing the funds. The authorisation to start utilising the funds should be obtained from the DAFF in writing.

CONTACT DETAILS

DIRECTORATE: CO-OPERATIVE AND ENTERPRISE DEVELOPMENT	
Office Location	Contact details
Pretoria	Tel No: 012 319 8133 Fax No:012 319 8132

MICRO AGRICULTURAL FINANCIAL INSTITUTIONS OF SOUTH AFRICA (MAFISA)

MAFISA is a financial scheme to address financial services needs of the smallholder farmers and agribusinesses. Mafisa provides capital (loans) to enhance agricultural activities. The MAFISA scheme aims at assisting smallholder farmers, land and agrarian reform beneficiaries, farm workers, self-help groups (SHGs), co-operatives and small agribusinesses.

Purpose of the loan

- ❖ Purchase of production inputs (fertilizers, seeds, pesticides, animal feed and remedies etc.)
- ❖ Purchase of small equipment and implements (Knapsack spray, wheel barrow, spades, etc)

Available product

- ❖ Short to medium term Production loan
- ❖ Savings mobilization
- ❖ Capacity building for member based financial institutions

Eligibility criteria

- ❖ Be a South African citizen
- ❖ Must be from historically disadvantaged (designated) group
- ❖ Must be in possession of a valid South African identity document
- ❖ The enterprise pursued must indicate ability to repay the loan (i.e. must be viable)
- ❖ Be of the age of 21 and above (if between 18 and 21 there is a need for parental/guardian consent)

- ❖ Household gross monthly non-farm income must not be more than R20 000
- ❖ Total enterprise turn over must not be more than R1 000 000
- ❖ Can apply as an individual, group or an entity
- ❖ Enterprise must be in respect of either farming or agribusiness

Terms and conditions

- ❖ A maximum loan amount of up to R500 000 per person
- ❖ For loans above R25000 collateral / collateral is required
- ❖ Money borrowed has to be repaid in full together with the interest
- ❖ Money borrowed has to be used for the purpose for which it was applied
- ❖ Farmers on communal land are eligible for consideration

CONTACT DETAILS

MAFISA call centre situated at No. 20 Beatrix Street, Arcadia, Pretoria, 0001. Tel: (, Fax: (012) 319 7278 E-mail: or accredited institutions as listed below on table 1

MAFISA HEAD OFFICE		
Office location	Physical Address	Contact details
Pretoria	No. 20 Beatrix Street, Arcadia, Pretoria, 0001.	012 319 6825
ACCREDITED PARTICIPATING INSTITUTIONS IN THE WESTERN CAPE		
Institution	Office Location	Contact details
NERPO	Pretoria	Tel No: 012 3488566
Peulwana	PretoriaWestern Cape	Tel No: 011 3141173

DEPARTMENT OF SMALL BUSINESS DEVELOPMENT (DSBD)



The Department of Small Business Development is a new 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.

Co-operative Incentive Scheme (CIS)

The CIS started under the Department of Trade and Industry and is

a 100% grant scheme for registered co-operatives, who are in the emerging economy to acquire competitive business development services. The maximum grant amount that can be offered to one co-operative entity under the CIS is R350, 000.00 (Three hundred and fifty thousand rand). The CIS is designed to address the lack of working capital, access to finance, participation in the formal economy by co-operatives especially those owned by black people women, youth, persons with disabilities. CIS is also designed to address the low or non-participation by co-operatives businesses on current incentive programmes.

Objectives of the CIS

- ❖ CIS seeks to promote co-operatives through the provision of a matching grant.
- ❖ To improve the viability and competitiveness of co-operative enterprises by lowering the cost of doing business.
- ❖ To assist co-operatives to acquire their start-up requirements.
- ❖ To build an initial asset base for emerging co-operatives to enable them to leverage other support.
- ❖ To provide an incentive that supports broad-based black economic empowerment (B-BBEE).

Funding criteria

- ❖ For the co-operative to be funded it must be Incorporated and registered in South Africa in terms of the Co-operatives Act of 2005.
- ❖ Emerging co-operatives with a majority black ownership.
- ❖ It must adhere to co-operatives principles.
- ❖ It must be an emerging co-operatives owned by historically disadvantaged individuals.
- ❖ The co-operative must be based in rural and semi-urban areas.
- ❖ Must be biased towards women, youth and people with disability.

Eligible activities

The CIS grant offered by the DTI is for the following activities;

- ❖ Business development services
- ❖ Business profile development
- ❖ Feasibility studies/market research
- ❖ Production efficiency
- ❖ Technological improvement projects
- ❖ Plants and machinery
- ❖ Start-up requirements
- ❖ Working capital requirements

Non – Eligible activities

- ❖ Activities already funded by other government grants.
- ❖ Costs associated with tendering and tendering documentation.
- ❖ Activities related to liquor.
- ❖ Activities related to gambling.
- ❖ Cost of acquiring buildings.
- ❖ Cost of building office structure and factories.
- ❖ Operation costs (such as rent and salaries).

Application checklist

- ❖ Completed and signed application form.
- ❖ Valid tax clearance certificate.
- ❖ Detailed business plan.
- ❖ Co-operatives resolution to apply for CIS.
- ❖ Three competing and comparable quotations.
- ❖ Copy of Co-operatives constitution signed by founder members.
- ❖ Certified copies of ID and copies of CV of directors.
- ❖ Proof of registration of co-operative.
- ❖ Motivation letter for choosing higher quotations.
- ❖ Motivation for submitting one quotation.
- ❖ Bank statements (3 months)
- ❖ Projected financial statements (start-ups) or financial statements (existing businesses).

CONTACT DETAILS

Location	Physical Address	Contact Details
Pretoria	77 Meintjies street, Sunnyside	012 415 2014

DEPARTMENT OF TRADE AND INDUSTRY (DTI)



The Department of Trade and Industry (DTI) has various incentive schemes, for those individuals who are planning to start their own businesses and those who have existing businesses. The DTI seeks to broaden participation in entrepreneurial activity to all, with the emphasis on youth development, women and B-BBEE.

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 and will run through to the 31st of March 2018. Aquaculture Development and Enhancement Programme is cash grant that 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 R40 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.

Products offered

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;

Primary Aquaculture Operations

- ❖ Broodstock/broodfish operations;
- ❖ Seed production operations;
- ❖ Juvenile (spat, fry, fingerling) operations, including hatchery and nursery facilities;
- ❖ On-growing operations, including but not limited to rafts, net closures, net pens, cages, tanks raceways and ponds.

Secondary Aquaculture Operations

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

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).

Funding criteria

- ❖ The applicant must be a legally registered entity.
- ❖ The applicant must be compliant with aquaculture legislative requirements.
- ❖ Valid tax clearance certificate must be provided 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.

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.

MANUFACTURING COMPETITIVENESS ENHANCEMENT PROGRAMME (MCEP)

The Manufacturing Competitiveness Enhancement Programme (MCEP) offers incentives for existing manufacturing companies that are designed to promote competition in the manufacturing sector and also to retain jobs in the manufacturing arena. MCEP consists of grants and loans; industrial financial loans are managed by IDC and the production incentive grants are managed by the Department of Trade and Industry (DTI). MCEP seeks to encourage enterprises to upgrade their production facilities, processes, products and to upskill workers. The programme also seeks to reduce the price of working capital for exporters.

Products offered

The following grants are offered by the Department of Trade and Industry to qualifying applicants

Production incentive grants

The manufacturing companies can apply for grants in five areas such as, capital investment, green technology, enterprise-level competitiveness improvement, feasibility studies and cluster competitiveness improvement.

Capital Investment

This incentive provides support to manufacturers that invest capital to upgrade their equipment and undertake expansions, with the aim of assisting in creating and retaining jobs. The capital investment offers a cost-sharing grant of between 30 percent and 50 percent of the investment, up to a maximum of R50m.

Green Technology and Resource Efficiency Improvement

The Green Technology and Resource Efficiency Improvement is a cost-sharing grant to support manufacturers with green technology upgrades that leads to cleaner production and energy efficiency. This incentive offers a cost-sharing grant of between 30 percent and 50 percent of the investment, up to a maximum of R50m.

Enterprise-Level Competitiveness Improvement

The Enterprise-Level Competitiveness Improvement supports companies invest in improved conformity assessments, create better processes and products, and develop relevant skills through the use of business development services. This production incentive offers a cost-sharing grant of between 50 percent and 70 percent of the investment, limited to the total amount of the applicant's manufacturing value-addition it generates.

Feasibility Studies

This production grant facilitates feasibility studies that are likely to lead to bankable business or project plans that may result in initiatives that will create a market for locally manufactured goods. These projects should result in investment in new components, products or processes that are not currently manufactured or performed by the applicant. The proposed investment project that results from a feasibility study should have a minimum value of R30m. The feasibility studies grant offers a cost-sharing grant of 50 percent or 70 percent of the cost of the feasibility study. It should be noted that projects that already receive government incentives for feasibility studies do not qualify for the MCEP feasibility grant.

Cluster Competitiveness Improvement

The Cluster Competitiveness Improvement incentive provides support for cluster studies by a group of firms in sectors or sub-sectors that focus on common challenges. This production incentive provides financial assistance to clusters of enterprises that want to undertake collaborative efforts related to production and marketing. The incentive offers a cost-sharing grant of 80 percent of the costs of the cluster activities, paid on completion of the business development activities.

Funding criteria

- ❖ The applicant must be a registered legal entity in the Republic of South Africa.
- ❖ 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.
- ❖ Applicants have to submit their latest financial statements.
- ❖ A complete application must be submitted at least 60 calendar days before they start using the assets or undertakings for which they are applying.
- ❖ 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.

Application checklist

- ❖ A project diagnostic report.
- ❖ A cleaner production assessment report (where applicable).
- ❖ A registration certificate of legal entity in South Africa.
- ❖ A B-BBEE certificate (where applicable).
- ❖ A valid tax clearance certificate

CONTACT DETAILS

Location	Physical Address	Contact Details
Cape Town	80 Waldorf building, st Georges mall	021 480 8050

DEVELOPMENT FINANCE INSTITUTIONS

LAND AND AGRICULTURAL DEVELOPMENT BANK OF SOUTH AFRICA



The Land and Agricultural Development Bank of South Africa is an agricultural development financial institution. Since its inception 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.

Financial Products and Services

Tailor- made solutions are available to clients, which entails the following:

Short term/Production Loans

This loan option is designed to make provision for inputs which are of seasonal nature. The loan option is repayable at the end of each production season, which is up to a maximum of 18 for most businesses or 24 months for sugar cane or timber establishment wholesale receivables finance.

Medium-Term Loans

This loan option is designed in the form of cash credit accounts to finance livestock, perennial crop, and irrigation equipment and for other working capital purposes. The repayment under this option is negotiable, and is normally between three to eight years.

Long-Term Loans

This loan option is designed to acquire capital expenditure such as the purchase of land, purchase and the installation of machinery and equipment, fixed assets improvements and any other agricultural-related expenditure. The repayment terms under this option is negotiable between periods of three and twenty-five. years.

Instalment Sale Finance (ISF)

The main purpose of this loan option is to finance moveable assets such as identifiable farming assets and equipment. The asset purchase forms the primary collateral in this regard, and the Land Bank remains the titleholder of the purchased asset until the asset is fully repaid.

The term period for this option is between three to 10 years.

Establishment Loans

Land Bank provides loans to farmers for the establishment of perennial crops, such as sugar cane plantations, citrus and deciduous fruit orchards, timber wood plantations and vineyards.

Large Livestock Finance

This option offers an opportunity to purchase livestock, and is aimed at the establishing of herds and extensive beef production. This loan is similar to the medium term option and offers farmers an opportunity to trade existing livestock as collateral.

Potential Beneficiaries

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

- ❖ Emerging farmers
- ❖ Established farmers
- ❖ Co-operatives
- ❖ Agricultural related businesses

Application Requirements

- ❖ A loan application fee is payable, and is reviewed from time to time
- ❖ Supporting documentation is required for legal entities
- ❖ A business plan should be submitted
- ❖ It is imperative to have an acceptable form of collateral/security

Application Process

Please visit the nearest Land Bank office, details are provided below.

Funding Threshold

The funding provided is dependent on the applicant(s)' financial performance, financial position repayment ability, business risk and the level of collateral. Thus, the Land Bank reserves the right to offer services to clients.

CONTACT DETAILS

Western Cape Land Bank Offices	Contact Number
Paarl	021 860 2100
Worcester	023 348 6820
Swellendam	028 514 8200
Beaufort West	023 414 8300

Western Cape Land Bank Offices	Contact Number
George	044 803 8800
Cape Town	021 974 2200

RETAIL EMERGING MARKETS (R.E.M)

The Retail Emerging Markets (REM) is a type of credit that was established by the Land Bank and its focus is primarily on the emerging market segment by: developing a credit framework that is emerging market friendly; providing a portfolio of products and services that are appropriate to this market; providing pre and post support services; and engaging with third parties to become partners in providing support services for the success of the new unit. The main aim of the REM is to assist black emerging farmers to become viable retail farmers through the provision of a tailored development financing solution.

Potential Beneficiaries

Black emerging farmers who farm on a full-time or part-time basis. They will be eligible if:

- ❖ They are active in the primary agricultural sector.
- ❖ They are unable to secure commercial financing due to lack of traditional forms of security.
- ❖ Their scale of operation is too small to attract the provision of services from commercial financing institutions.
- ❖ They have insufficient access to resources – infrastructure, equipment, capital and technology.
- ❖ They have a relative lack of managerial, financial and/ or agricultural skills to sustain a farming enterprise.
- ❖ Their land has been acquired through land reform.

Criteria for Funding

The Applicant:

- ❖ May be an individual or group.
- ❖ Must have South African citizenship.
- ❖ Must not be a minor.
- ❖ Must be unable to provide traditional forms of security.
- ❖ Must have no or limited asset base.
- ❖ Must have proof of residence.
- ❖ Must have access to land.
- ❖ Must be black (as defined by the definition of PDI).

Products Offered

Product Type	Purpose	Term	Condition precedence
1. Short Term Loan	Production credit - Production input costs (seeds, fertilizers, labour, land, etc.).	One year	Cession of produce
2. Instalment Sale Finance Livestock	Cattle (extensive)	Eight years	ISA and SNB
3. Instalment Sale Finance	Movable assets e.g. tractors, bakkie, implements	Five to seven years	Instalment Sale Agreement
4. Medium Term Loan	Fence, irrigation system, boreholes, fixed improvements	Five to ten years	Cession of produce
5. Wholesale facility	On-lending	Five years	Recessionary session of loan book

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.

Contact Details

Office Location	Contact details
Paarl	Tel: 021 860 2112

INDUSTRIAL DEVELOPMENT CORPORATION (IDC)



The Industrial Development Corporation is a state owned developing financial institution which is under the supervision of the Economic Development Department. 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 Africans, by developing viable economies which are sustainable as well as environmentally and socially responsible. In this issue the focus will rather be on the Food, Beverage and Agro-Industries Business Unit, which produces leaders in the development of the agricultural value chain.

Financial Products and Services

- ❖ Primary agricultural financing solutions are tailor made to the specific needs of the applicant.
- ❖ Processing/manufacturing agricultural related businesses are based on the establishment or expansion as well as to broaden the capacity of the specific enterprise(s) of the applicant.
- ❖ The related to agriculture products offered by DTI are as follows:
 - ✓ Capital Investment: this is a cost-sharing grant to support capital investment in equipment upgrading and expansions that will lead to increased productivity and competitiveness.
 - ✓ Green Technology and Resource Efficiency Improvement: this is a cost-sharing grant to support enterprises with green technology upgrades that lead to cleaner production and energy efficiency.
 - ✓ Enterprise-Level Competitiveness Improvement: this is a cost-sharing grant to improve the competitiveness of enterprises by enhancing conformity assessments and improving processes, products and energy; and producing cleaner production audits and related skills advancement through the use of business development services.
 - ✓ Feasibility Studies: this grant facilitates feasibility studies that are likely to lead to bankable business or project plans that may result in initiatives that will create a market for locally manufactured goods.
 - ✓ Cluster Competitiveness Improvement: this grant provides support for cluster studies by a group of firms in sectors or sub-sectors that focus on common challenges.

Potential Beneficiaries

Projects and entities participating in the following sectors: Horticulture Primary Agriculture, Food Processing Sector, Agro-industrial Sector, Fishing and Aquaculture Sector.

Preference is given to the following projects:

- ❖ New Greenfield's projects
- ❖ Development and empowerment projects
- ❖ Buy-in and takeovers by historically disadvantaged individuals

- ❖ Businesses / Individuals with an appetite for risk, with the ability to make an own contribution and a component management team.

Limitations of IDC Funding

The IDC does not fund unintegrated projects in the cash and livestock sectors.

Furthermore, the IDC does not re-finance fixed assets.

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.
- ❖ Please refer to www.idc.co.za for more details regarding the application requirements

Application Process

- ❖ An application can be submitted by post or by hand to the IDC office in Cape Town, or an e-mail can be sent to the following callcentre@idc.co.za
- ❖ Please contact the Western Cape IDC representatives for the Agro- Industries Unit to obtain assistance to process an application.

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.

Contact Details

Contact details
Tel : 021 421 4794 Call Centre: 086 0693 888 E-mail: callcentre@idc.co.za Website: www.idc.co.za

The Development Bank of South Africa is a development institution, which plays a significant role in facilitating development solutions for developing industries. The overall vision of the Development Bank of South Africa is to create a prosperous and integrated country, which is intended to become gradually free of poverty and dependency. To realise this vision the Development Bank undertakes to thrive towards the development impact in regions through expanding the accessibility of development finance and to effectively integrate and implement sustainable development solutions.

In recognition of the internal and external development challenges that South Africa is facing, the Development Bank has strategic partnerships, in an effort to address these challenges to ensure that the agricultural sector is able to contribute to the country's food security requirements. Thus, the DBSA is also contributing to rural development by mobilising financial and human resources to accelerate economic development to improve the livelihoods of South Africans.

Financial Products and Services

- ❖ Business Plan as tool for packaging of projects – grant
- ❖ Off-site (bulk infrastructure) – loan
- ❖ On-site (private/project fixed infrastructure) – loan
- ❖ Land as part of project package (excluding land claims and land reform process) – loan
- ❖ Moveable assets and equipment – loan
- ❖ Production inputs (subject to exceptional circumstances) – loan

Potential Beneficiaries

The DBSA's involvement in the agricultural sector is guided by two broad principles:

- ❖ Multi stakeholder and beneficiaries, which means that banks will not consider applications from individuals and small scale farming entities.
- ❖ Probable syndication and/or facilitation of project(s) funding.

The DBSA Loan Covers the Following Areas

- ❖ Capacity building assistance, e.g. expansion of project development
- ❖ Off-site and on-site infrastructure
- ❖ Land as part of a project package, but excluding tribal and state owned land
- ❖ Moveable assets and equipment, subjected to individual merit of a project

- ❖ Production inputs, but are subjected to the cession of crops in exceptional situations.

Application Requirements

- ❖ Only projects with multiple stakeholders and beneficiaries will be funded
- ❖ Applications from individuals and/or small scale farming entities will be considered
- ❖ Efforts are attempted to facilitate co-funding with other financial institutions
- ❖ Market/institutional failure and project risk management
- ❖ Viability and sustainability of a project
- ❖ Strategic partnerships/joint ventures pursued
- ❖ Black economic empowerment and development impact
- ❖ Sufficient equity/equity equivalent to support cash flow and co-funding explored

Application Process

- ❖ Please direct any application to Dr Nico Meyer at the Development Bank of South Africa.
- ❖ Thereafter, assistance will be given to applications to ensure that applications are completed and accurate according to the applicant's state of affairs.

Funding Threshold

The DBSA has the right to use its own discretion as to how to disburse funding.

CONTACT DETAILS

Office Location	DBSA Contact Details
1258 Lever Rd, Midrand, 1685	Tel: 011 313 3911/3038 Website: www.dsba.org

COMMERCIAL BANKS

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, The Department of Rural Development and Khula Enterprise Finance to accelerate the transformation process taking place in the sector.

Financial Products and Services

Short Terms Loans

Cheque Accounts and Overdraft facilities

Tailor-made, flexible solutions are available to take care of the farmer's daily financial needs. The farmer can ensure that the working capital is accessible in an easy and convenient manner.

Credit Line

This solution provides farmers with a regular line of credit that is separately operated from their cheque accounts.

Production Credit

Production credit is offered to ensure that inputs can be acquired for crop production and livestock production.

Input Cost Insurance Facility (ICIF)

This is an alternative option which also provides input cost to farmers, however in this instance the proceeds of the crop(s) is used as collateral.

Complete Physical Solution

This option is available for farmers exercising commodity trading on the SAFEX. In this case ABSA will take ownership of the silo certificate and recognises 90% of the current SAFEX value as collateral.

Warehouse Receipt Finance

This option allows ABSA to purchase the SAFEX traded commodity from the client and to sell it back at a later date.

Absa Milldoor

This option is available to provide finance to the miller's procurement position against a cession of the commodity trader's forward sale agreement.

Medium Loans

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.

Term Loans

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

Long Term loans

Agribusiness Mortgage Loan

This option is applicable to purchase or develop fixed property. In this regard, ABSA 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 to the mortgage loan account, and to withdraw these funds when required.

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.

Application Process

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

Funding Threshold

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

CONTACT DETAILS

Please visit your nearest ABSA Branch or alternatively browse www.absa.co.za

Or contact an ABSA agricultural specialist directly, details are provided below:

Specialist Area
ABSA Retail & Business Banking Tel: +27(0)21 9155 439

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 fact that the agricultural sector 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.

Financial Products and Services

Short Terms Loans

Cheque Accounts and Overdraft facilities

Tailor-made, flexible solutions are 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.

Agricultural Production Loan

This option enables the farmer to compensate for agricultural input cost. Input costs qualify for crop production inputs and livestock production inputs.

Medium Loans

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 and farm related assets with an extended economical life-span.

Long Term loans

Agribusiness Mortgage Loan

This option is applicable to purchase or develop fixed property. In this regard, ABSA 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.

Potential Beneficiaries

This refers to all the participants in the agricultural value chain, from producers to distributors.

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.

Application Process

Please visit your nearest Standard Bank Branch where an agricultural executive or advisor will assist with applying for your product of choice.

Funding Threshold

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

CONTACT DETAILS

Office location	Physical Address	Contact Details
Provincial	7 th Floor, Intercare Health Centre 43 Old Oak Road Tygervalley	Provincial Agricultural Manager Tel: 021 970 4261
Paarl	2 nd Floor Standard Bank 45 Lady Grey Street Paarl	Agricultural Advisor Tel: 021 872 0615
Worcester	36 Adderley Street Worcester	Agricultural Advisor Tel: 023 348 8435 Agricultural Advisor Tel: 023 348 8432

NEDBANK



Nedbank has a banking solution to cater for every individual's need, be it with credit cards, saving and investing, home loans, or vehicle finance. Nedbank is a financial institution which aims at assisting every individual regarding credit cards, saving, investing, home loans or vehicle finance. Regarding Agriculture, Nedbank assists farmers with funds in relation to Agronomy, Horticulture, Livestock, Secondary agriculture. Some of the products offered by Nedbank to farmers are discussed below:

Agri instalment sale

Nedbank offers financing on all types of agricultural equipment and agreement machinery (eg tractors and farming implements) with flexible repayment options, such as annual payments and extended repayment periods of up to a period of ten years, depending on life expectancy and depreciation.

Agri medium-term loan

The Agri Medium Term Loan (AMTL) can be utilised for financing productive assets (e.g breeding herds of cattle) or enhancing existing assets, and includes an option to withdraw surplus funds arising from excess payments.

Agri 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.

Agri NedBond Nedbank AgriBusiness

Specialises in financing fixed property or capital improvements to fixed property. We offer flexible finance to buy or enhance fixed property, incorporating interest-only periods and repayment options of up to a period of fifteen years.

Agri trade finance

Our creative approach to trade finance and interlinking risk control means you can optimise the risk-return relationship. Key components of our offering include:

- postimport financing;
- pre export financing; and
- discounting of bills.

CONTACT DETAILS

Office location	Physical address	Contact details
Paarl	76 Lady Grey Street Paarl	Tel: 021 807 1369 011 710 4000

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.

Financial Products and Services

Short Term Loans

This option is available to assist with working capital for day-to-day

expenses, and is packaged in the form of a current account that is interlinked with an overdraft facility or credit production account.

Long Term Loans

This option is designed as a mortgage facility, and can be used to purchase fixed assets such as land and to assist with capital improvements.

Agricultural Project Loans

This option is medium termed, and can be used to assist in the upgrading of the farm such as to purchase breeding livestock, to plant orchard plantations or to build farm buildings in order to ultimately improve the farms net income.

Agricultural Commercial Cheque Account

This package can be exercised to manage everyday working capital of a commercial base farming enterprise. Furthermore this can also be used for upgrading and expansion purposes to the farm.

Potential Beneficiaries

All participants in the agricultural value chain, from producers to distributors.

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.

Application Process

Please visit your nearest First National Bank Branch where an agricultural executive or advisor will assist with applying for your product of choice.

Funding Threshold

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

CONTACT DETAILS

Office location	Contact Details
Head Office in Johannesburg	Agricultural Relationship Manager Tel: 011 369 1088

AGRICULTURAL COMPANIES

KAAP AGRI (PTY) LTD



Kaap-Agri (Pty) Ltd is a private company, which operates mainly in the agricultural sector. It's headquarters are located in Malmesbury, situated in the Swartland area. The core of Kaap-Agri's business operations is to provide a wide range of agricultural production inputs and agricultural related services to its agricultural clientele. As a subsequent service offering, the company offers financial solutions to ensure that the financial and technical challenges of farmers are addressed. It is important to emphasise that Kaap-Agri is not purely a financial service provider. The additional services top up the added-value that the company is offering its clients, due to the increasing demand for such product offerings in the agricultural sector.

Financial Products and Services

General Credit Finance

This option is a current account which is financed with a period of up to 30 days. This account is strictly payable within 30 days of date of statement.

Production Credit

This credit facility extends finance for up to a maximum period of 12 months, and can be utilised to purchase agricultural production inputs.

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.
- ❖ Thus Kaap-Agri reserves the right to evaluate and merit each application on its own merit.

Potential Beneficiaries

- ❖ Kaap-Agri's major clients are mainly the agricultural producers, although creditworthy agricultural value-chain participants are encouraged to apply for financial services and products.

Application Process

- ❖ Please visit your nearest Kaap-Agri branch or regional financing services office to obtain an application form

Funding Threshold

- ❖ Kaap-Agri finance solutions are tailor-made to specifically meet the individual needs of clients.

CONTACT DETAILS

Office location	Contact Person and Details
Malmesbury	Tel: 022 482 8000

CAPESPAN CAPITAL



Capespan Capital provides financial assistance through a comprehensive financial product range (short, medium and long term financial solutions) to all current and future Capespan producers. It is determined on the potential of producers while alleviating financial constraints to ensure that Capespan producers succeed against the odds in an increasingly difficult farming environment.

Instalment Sale Agreements

Repayment terms of up to 60 months are offered on financing all agriculture-related moveable assets.

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.

Revolving Credit Facility

As an alternative to overdraft facilities, the revolving credit facility is made available according to a producer's cash flow need, subject to annual review. On the producer's request, Capespan Capital then transfers funds to the producer's cheque account within 24 hours. Producers can also deposit funds in the revolving credit account as and when surplus cash is available.

Production Finance Facility

- ❖ The finance is available to qualifying export fruit producers.
- ❖ It is offered according to the cash flow needs against a cession of the harvest as main security.
- ❖ No tangible security such as bonds is required.

CONTACT DETAILS

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

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.

Harvest's solution-driven approach to agricultural finance, emphasis on sustainable relationships, the taking and managing of calculated financial risks and the taking of ownership of every transaction where they are involved, are what differentiate them in the market.

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.

Capital Harvest Production Finance

Capital Harvest's production finance is available for qualifying export fruit farmers. The finance is made available in accordance with the cash flow needs against a cession of the harvest as main security.

Grain Input Finance Facility (GIFF)

The GIFF, similar to the Capital Harvest production finance, offers production finance for grain farmers against a cession of the harvest and input insurance as security.

The product is suitable for farmers in higher risk areas and as is the case with the Capital Harvest production finance product, the farmer's tangible assets are not attached as security to obtain the production finance.

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.

CONTACT DETAILS

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

NATIONAL EMERGENT RED MEAT PRODUCERS ORGANIZATION



NERPO Livestock Credit Scheme is a livestock commodity base credit scheme with an objective to provide soft loans to emerging livestock farmers for the purchase of any type of livestock, animal feed & medication, farm machinery and infrastructural improvements, as well as any form of enterprise development within the livestock value chain.

It is of paramount importance to note that NERPO loans are only granted to Historically Disadvantaged Individuals (HDIs).

CONTACT DETAILS

Office Location	Physical Address	Contact details
Pretoria	42 Ilkey Rd, Pretoria, 0081	012 361 9127

PEULWANA AGRICULTURAL FINANCIAL SERVICES



Peulwana is a financial institution which was founded in 2009 with an aim to support small and medium-scale farmers and agro processors in South Africa with input finance and market linkages to main stream markets. The main focus of the institution is on small scale farmers who are situated in rural areas and also peri-urban areas.

Funding criteria

- ❖ Small scale farmers who have a defined market.
- ❖ Farmers that require assistance with agro-processing funds who fall under the emerging entrepreneur category.
- ❖ Co-operatives who also fall under the emerging bracket.
- ❖ The business must be legally registered.
- ❖ The farmers or entrepreneurs must be fully engaged in the business.
- ❖ The business must be viable and have growth and impact potential.
- ❖

Peulwana Agri Financial services do not fund;

- ❖ Livestock purchases.
- ❖ Capital equipment requiring medium to long-term loans.
- ❖ Purchases of farms.
- ❖ Start-up farming businesses without technical know-how.

CONTACT DETAILS

Office location	Physical Address	Contact Details
Johannesburg	Randjiesfontein, Mdrand, 1683	083 635 4960

DEVELOPMENT AGENCIES

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.

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.

Financial services

- ❖ Working Capital
- ❖ Asset finance
- ❖ Stock purchases

GRANT FUNDING THRESHOLDS

Threshold 1: Survivalist businesses

- ❖ Grant is from R1,000.00 – R10, 000.00
- ❖ These businesses should must have a complete application form
- ❖ Business plan is not required
- ❖ Business experience is not required
- ❖ Un-registered businesses can apply
- ❖ Viable business idea must be presented
- ❖ Bank account and proof of supplier banking details are required

Threshold 2 : Startup businesses

- ❖ Grant is from R10, 001.00 – R50, 000.00
- ❖ Must submit a business plan

- ❖ The business must be registered
- ❖ 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, excluding the owner

Threshold 3 : Growth businesses

- ❖ Grant is from R50, 001.00 – R100, 000.00
- ❖ Must have a business plan
- ❖ Must be tax compliant
- ❖ Must provide management account
- ❖ Bank account and proof of supplier banking details are required
- ❖ The business must create or sustain at least 2 jobs, excluding the owner

Funding criteria

- ❖ South African citizens and are resident within the borders of South Africa
- ❖ Applicant/s are 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
- ❖ Require the grant for business start-up or growth
- ❖ Operate their business formally or informally
- ❖ Have a profit motive and are 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

CONTACT DETAILS

Office location	Physical address	Contact details
Cape Town	18a Piazza, Golden Acres, Adderley street	Tel: 021 415 2014

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 cashflow.

Product offering

Small Enterprise Finance Agency's products ranges between R50, 000.00 and R5, 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. Financial assistance is provided to the following agricultural sectors;

- ❖ Agro-processing
- ❖ Cash crop contract farming

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).

Working capital facilities

Working capital is money used run daily activities of the business. Entrepreneurs can use this money to finance overhead cost while waiting for cash receipts. This facility provides the business with immediate access to cash. The repayment duration is up to 12 months.

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).

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.

Application checklist

- ❖ Business plan is required
- ❖ Projections of cash flow
- ❖ Lease agreement
- ❖ Application form
- ❖ Surety form
- ❖ Certified copies of ID, and the one for spouse if married in community of property
- ❖ Marriage certificate, if married
- ❖ CV of the members/directors/shareholders/trustees
- ❖ Proof of residence/sworn affidavit (not older than 3 months)
- ❖ Valid tax clearance certificate
- ❖ Company registration documents
- ❖ Proof of CIPC (Companies and Intellectual Property Commission)
- ❖ Six months latest personal and business bank statement
- ❖ Supporting quotations (with contact person and banking details of supplier)
- ❖ Personal Income and Expenditure Schedule and Assets & Liability statement
- ❖ Proof of own contribution and source (if applicable)
- ❖ Member’s resolution to apply (if applicable)
- ❖ Historic financial statements (not later than 3 years, only if applicable)
- ❖ Latest management accounts (if applicable)
- ❖ Debtors and creditors age analysis (if applicable)

CONTACT DETAILS

Office location	Physical address	Contact details
Cape Town	9 th floor, FNB Building, 2 Long Street	021 418 0126
Saldanha	Tonyn Street	022 714 1731
George	1 st Floor Beacon Place, 124 Meade Street	044 874 4770

The Jobs Fund was launched in 2011 to co-finance projects by public, private and non-governmental organisation that will contribute to job creation significantly. This grant fund is administered by the Development Bank of South Africa (DBSA) and its objective is to support those good ideas, initiatives and new approaches that will enhance the ability of South Africa's economy to create and sustain jobs. The fund allocation for the private sector partners is 1:1 ratio, meaning that if the minimum grant size is R10 million, this implies that the overall minimum project size will be R20 million. For public sector partners, the ratio is 1: 0.2 meaning that if the minimum grant size is R10 million the overall project size will be R12 million. The Jobs Fund allocation of funding is open to all, transparent and is very competitive.

Application process

There are two stages of applying for a Jobs Fund grant, namely; the concept application stage and full application stage.

Conceptualisation application stage

This stage requires the submission of a concept application that is in a standardised format and is submitted via the electronic system.

Full application stage

After the concept application has been approved, then a detailed project proposal will be requested and this request will be accompanied by notes guiding the applicant to help improve the quality and the chance of success of the full application.

Funding criteria

- ❖ Minimum grant size of R10 million and maximum grant of R100 million
- ❖ Matched funding : cash co-funding ratio of 1:1
- ❖ Comply with administrative requirement such as the tax clearance certificate and annual financial statements for two years
- ❖ The applicants must be solvent and have been in operation for more than two years.
- ❖ Track record of more than three years of technical experience in the area of interest is required.

Who can apply?

- ❖ Private sector
- ❖ Non-governmental organisation
- ❖ Government department
- ❖ Municipalities

- ❖ Cost and risk sharing required for:
 - ✓ Ownership
 - ✓ Impact
 - ✓ Sustainability
- ❖ Applicants to meet matched funding benchmark
- ❖ Applications that exceed the minimum matched funding ratios.

CONTACT DETAILS

Contact person	Contact details
Sonja Loggenberg	012 315 5349
Rulleska Singh	012 406 9040
Sean Scott	012 406 9113
Pieter Botes	012 315 5705

MASISIZANE FUND



The Masisizane Fund (NPC) is an initiative of Old Mutual South Africa which was established in 2007, with an objective to contribute meaningfully to employment creation, poverty eradication and reduction of inequality, economic growth, and the attraction of investment. This is achieved through enterprise finance and support to Small, Micro and Medium Enterprises (SMMEs).

There are several industries which are being funded by the Masisizane fund , namely:

- ❖ Agriculture
- ❖ Manufacturing
- ❖ Supply Chain
- ❖ Franchising
- ❖ Commercial Enterprise

The main focus however will be on agricultural related products offered by Masisizane which are the following:

Grain and Vegetable Crop

This product offers a revolving production facility (seasonal crops), the term runs from 36 to 60 months and is reviewed seasonally. Prime pricing of -5% to +5% is informed by rate recovery. The Risk Mitigation has seasonal or cyclical reviews to reduce exposure on every harvest, off take agreements and crop insurance.

Livestock (Breeding)

This offers long term instalment financing, a product life cycle of 30 to 60 months. Prime pricing is -5% to +5% and informed by rate of recovery. The Risk Mitigation is a loan paid within the productive life of the livestock as well as Lifestock Insurance.

Livestock (Sale stock)

This is short term secured with working Capital. The term is up to 36 months and is reviewed annually. The prime pricing is -5% to +5% and informed by rate of recovery. Risk Mitigation is off take agreements and loan repaid within each cycle.

Implements and Equipment

This offers Instalment Financing, a term of 60 months of productive life of the equipment. Prime pricing is -5% to +5% and informed by rate of recovery. Risk Mitigation is Asset Insurance.

Application criteria

Start-up business

- ❖ Monthly projected cashflow statement, income statement and balance sheet for the duration of the loan term,
- ❖ Copies of any or all contracts and lease agreements,
- ❖ Company registration documents
- ❖ Tax clearance certificate
- ❖ Business plan,
- ❖ Debtors and creditors analysis.

Existing business

- ❖ Monthly projected cashflow statement, income statement and balance sheet for the duration of the loan term,
- ❖ Copies of any or all contracts and lease agreements,
- ❖ Company registration documents,
- ❖ Tax clearance certificate,
- ❖ Annual Financial Statements (which includes Income Statement, Balance Sheet and Cash Flow Statements)
- ❖ Business plan,
- ❖ Debtors and creditors analysis.

CONTACT DETAILS

Office Location	Physical Address	Contact details
Western Cape and Northern Cape	2nd Floor, Mutualpark Jan Smuts Drive, Pinelands	Tel: +27 (0)21 509 5078

SEDA which is the acronym for The Small Enterprise Development Agency is an agency of the Department of Trade and Industry, which was established in December 2004. The vision of SEDA is to develop, support and promote small enterprises to ensure growth and sustainability. In order to accomplish this, SEDA aims to support the growth of small enterprises in South Africa while creating a better regulatory environment and encouraging a culture of entrepreneurship. SEDA's main aim is to provide information to prospective and current small entrepreneurs that will assist in building sustainable businesses.

SEDA's Objectives

- ❖ To design and implement delivery networks.
- ❖ To promote a service delivery network.
- ❖ To strengthen the capacity for service providers to support small enterprises.
- ❖ To enable small enterprises to compete successfully domestically and internationally.
- ❖ To strengthen support for SMME's access to finance.
- ❖ To create an enabling regulatory environment.
- ❖ To expand market opportunities for specific small enterprises.
- ❖ To localise small business support through rigid access points.
- ❖ To initiate a national entrepreneurs drive and expand education and training for small businesses.
- ❖ To co-fund minimum business infrastructure.

Potential Beneficiaries

- ❖ Small businesses operating in South Africa.
- ❖ Projects that have the potential to promote historically disadvantaged individuals, with special emphasis on the youth and women development.
- ❖ Projects that have the potential to develop emerging markets.

Additional Information

- ❖ Kindly make use of the Business Brief, a free subscription service available, with relevant business updates and online booklets and brochures - available on the SEDA website.
- ❖ Otherwise, please visit your SEDA branch on a regular basis to obtain relevant news or assistance.

CONTACT DETAILS

The National Information Centre can be contacted at 086 010 3703 or alternatively visit www.seda.org.za

Office location	Physical Address	Contact Number
Western Cape Provincial Office	1 st Floor, kker Park Building, Neels Bothma Street, Goodwood, 7460	Tel: 021 596 1300
Bellville	2 nd Floor, Lowville Place, 23 Vrede Street, Bellville, 7350	Tel: 021 949 2227
George	Entrance A, Beacon Place, 125 Meade Street, George, 7460	Tel: 044 874 4770
Stellenbosch	1 st Floor, Eikestad Mall, Bird Street, Stellenbosch, 7600	Tel: 021 883 9270

CONCLUSION

The Production Economics Division of the Western Cape Department of Agriculture trusts that this issue of Accessing Finance for Agricultural Businesses is of value to the Western Cape agricultural communities and enterprises. Awareness of the different institutions that offers financial products and services is an excellent management tool, which allows farmers to “shop around” for better and more cost effective financing agreements.

We would like to express our gratitude to the following institutions for permitting us to publish their institutional information in this publication:

GOVERNMENT INSTITUTIONS

Western Cape Department of Agriculture
 Department of Agriculture, Forestry and Fisheries
 Department of Small Business Development
 The Department of Trade and Industry

DEVELOPMENT INSTITUTIONS

Land and Agricultural Development Bank (Land Bank)
 Industrial Development Corporation (IDC)
 Development Bank of South Africa

COMMERCIAL BANKS

ABSA
Standard Bank
Nedbank
First National Bank

AGRICULTURAL COMPANIES

Kaap-Agri (Pty) Ltd
Capespan Capital (Pty) Ltd
Capital Harvest
Nerpo
Peulwana Agri Financial Services

DEVELOPMENT AGENCIES

NYDA
SEFA
The Jobs Fund
Masisizane Fund
SEDA

