

# Annexure 1: FUNDING ORGANIZATIONS FOR EMERGING FARMERS

NAME OF INSTITUTION	TYPE OF FUNDING	ADDRESS	CONTACT DETAILS	INFORMATION
<b>Umsobomvu Youth Fund (UYF)</b>	GRANT	P.O Box 982 Halfway House 1685  Public Prosecutor Building 82 Kellner Str. Westdene BFN 9300	<b>National Office</b> Tel: 011 651 7000 Fax: 011 805 9709  <b>Free State Office</b> Tel: 051 400 8301 Fax: 086 603 0500 <a href="http://www.youthportal.org.za">www.youthportal.org.za</a>	Grants offered to youth projects only (18-35yrs) Provides funds for production inputs only. Does not fund Poultry Production <b>Micro loans: R1000-100 000</b> Offered to black South African males (18-35 yrs) and women (of any age) who are, or plan to be very involved in business <b>Documents.</b> -Application form -Business plan -Copy of ID Proof of residence -Will be required to undergo credit check
<b>National Development Agency (NDA)</b>	GRANT	Postnet Suit 131 Private Bag X 01 Brandhof 9324  Sanlam Building Zastroon Str Office 209	<b>National Office</b> Tel: 011 718 5500 Fax: 011 403 2514  <b>Free State Office</b> Tel: 051 430 2024 Fax: 051 403 2024 <a href="http://www.nda.org.za">www.nda.org.za</a>	Funds existing and new projects <b>2 types of funding</b> 1. request for proposals for new projects- advertised in newspapers 2. programme formulation- for existing projects <b>Documents.</b> - Copy of registration certificate - Business proposal - Copy of ID

<b>Industrial Development Corporation (IDC)</b>	LOAN	P.O. Box 784055 Sandton 2146  19 Fredman Drive Sandown RSA	<b>National Office</b> Tel: 011 269 3000 <a href="http://www.icd.co.za">www.icd.co.za</a>	Agro-processing, value adding and projects under controlled environment e.g. hydroponics <b>Special Funding</b> 1. Risk Capital Facility- provided to BEE and previously disadvantaged groups. 2. Support Programme for Industrial Innovation <b>Three schemes</b> a. Product Development Scheme- financial assistance for small, very small and micro enterprises b. Matching Scheme- financial assistance for SME's in the form of a grant of up to 50% of the qualifying cost incurred during the technical development stage, to a maximum of up to 1,5 million per project c. Partnership Scheme- financial assistance provided in the form of conditionally repayable grant of 50% of qualifying cost incurred during development activity with a minimum grant amount of 1,5 million per project, repayable on successful commercialization of the project.
<b>Eskom Development Foundation</b>	TRAINING	P.O. Box 356 Bloemfontein 9300	<b>Free State Office</b> 051 404 2492 <a href="http://www.eskom.co.za/csi">www.eskom.co.za/csi</a>	No longer assists with production inputs and equipment. Assists with training on business, financial management, e.t.c Training is conducted on request. <b>Documents</b> - Copy of signed constitution - Copy of latest bank statement - Copy of registration certificate - SARS tax/exemption/clearance certificate - Copy of latest annual report or 12 months progress report - Copy of the latest audited financial statement (if any) - Municipal map showing erf number location of the premises from where the project operates - At least two letters of support from local organizations that know the project/business e.g. local authority, municipality or any other

<b>Free State Development Corporation (FDC)</b>	LOAN	P. O. Box 989 Bloemfontein 9300  Fedsure House Third Floor Maitland Str.	<b>Free State Office</b> Tel: 051 448 6772 <a href="http://www.fdc.co.za">www.fdc.co.za</a>	Provides loans to qualifying entrepreneurs for start-up capital, expansion capital and bridging finance. <b>Micro Loans</b> Loans granted are a minimum of R50 000 & may not exceed R20 000 Interest charged will be Prime Bank Rate (PBR) less 3.5% The repayment period may not exceed 36 months Support on agro-processing only. FDC provides equity in businesses that lack collateral but have the potential for growth and profitability. <b>Needed documents</b> Proof of registration Copy of ID Business plan
<b>International Finance Cooperation</b>	LOAN	14 Fricker Road Illovo 2196 Johannesburg	<b>National Office</b> Tel: 011 731 3000 Fax: 011 267 0074 <a href="http://www.ifc.org">www.ifc.org</a>	There is no standard application form for IFC financing. A project seeking to establish a new venture or expand an existing enterprise can approach IFC directly by submitting an investment proposal. IFC operates on a commercial basis. It invests exclusively in for-profit projects, fully shares risks with its partners and charges market rates for its products.
<b>Anglo American</b>	GRANT	The Manager P.O. Box 61587 Marshalltown 2107	<b>National Office</b> Tel: 011 377 7330 011 638 9111 fax: 011 638 3221 <a href="http://www.angloamerican.co.uk">www.angloamerican.co.uk</a>	-Poverty alleviation projects -Community development projects A proposal must be submitted to Anglo American for grant applications.
<b>SA Breweries</b>	SPONSOR	CSI Coordinator SA Breweries P.O. Box 274 Bloemfontein 9300	<b>Free State Office</b> Tel: 086 172 2256 <a href="http://www.sabreweries.com">www.sabreweries.com</a> <a href="http://www.sabkickstart.co.za">www.sabkickstart.co.za</a>	A written request for sponsorship must be submitted. <b>Kick-start Competition-</b> it's a project aimed at instilling a culture of entrepreneurship among young people between the ages of 18 & 35 by promoting business awareness through training, providing grants as start-up & providing mentorship & assistance during the setting up phase of the business. Competition usually opens in May of each year. <b>Documents</b> - Application form - Business plan - Copy of ID - CV's of business team members - Latest annual financial statements & latest management accounts (only if business is already operating).

<p><b>Khula Enterprise Finance Ltd.</b></p>	<p>SECURITY FOR LOAN</p>	<p>7 Elizabeth Str LM Building Ground Floor Bloemfontein</p>	<p><b>Free State Office</b> Tel: 051 430 2778/3203 Fax: 051 430 0949 Toll Free: 0800118815 <a href="http://www.khula.org.za">www.khula.org.za</a></p>	<p><b><u>Land Reform Empowerment Facility (LREF)</u></b> Khula LREF is a programme funded by the department of Land Affairs &amp; the European Union, administered by Khula Enterprise Finance Ltd. <b><u>LREF Mortgage Loan Facility</u></b> This facility helps entrepreneurs to acquire ownership of agricultural land under the following conditions: Loan Size: limited to R600 000 per individual from previously disadvantaged background Loan Redemption Period: up to 20 years, depending on the repayment ability of the project. <b><u>LREF Equity Share Scheme</u></b> The scheme is where by both the land reform beneficiaries &amp; private sector partners purchase equity in a land-based enterprise under the following conditions: Loan Size: limited to R400 000 per individual from a previously disadvantaged background. Loan Redemption Period: up to 20 years, depending on the repayment ability of the project <b><u>Khula Indemnity Scheme</u></b> Provides financial assistance to people who wish to start or expand small to medium sized businesses but do not have security to support facilities provided by financial intermediaries. <b><u>Khula-Start Programme</u></b> Gives loans to women groups in rural areas. Individuals select themselves into groups of 3-10 members &amp; need to meet the criteria set for group participation. Loans are disbursed on an incremental basis from R300- R3500 per member. The group decides based on activity of individual businesses how much each member gets &amp; will subsequently stand surety for the full amount owed by the group as a whole. <b><u>Documents</u></b> - Business plan - Copy of ID - Copy of registration certificate</p>
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<b>Business Partners</b>	LOAN EQUITY LOAN	P.O. Box 7780 Johannesburg 2000  Business Partners Centre 5 Wellington Road Parktown Johannesburg 2193	<b>National Office</b> Tel: 011 480 8700 Fax: 011 642 2791  <b>Free State Office</b> Tel: 051 446 0536 Fax: 051 446 4978 <a href="http://www.businesspartners.co.za">www.businesspartners.co.za</a>	<b><u>Equity Partner</u></b> It is a method of financing designed for the entrepreneur who has an established, profitable venture & requires capital for expansion. When recommending equity financing, Business Partners usually makes the investment in the form of a shareholder's loan with an equity loan component. The extent of the equity taken in the business is calculated in proportion to the contribution made by the Business Partners & is usually a significant minority stake. The entrepreneur's contribution may also take the form of a shareholder's loan. During the period of the investment agreement, Business Partners shares in both the risks & rewards of the venture receiving dividends & benefiting from capital appreciation. Once the shareholder's loans have been repaid in full, Business Partners may wish to sell its shares in the business at market value. In this case, the entrepreneur is always offered first right of refusal. <b><u>Risk Partner</u></b> Caters for the needs of the entrepreneur who has a viable lifestyle but limited capital to contribute to the venture & limited security for either a start-up or expansion phase. The investment is structured as a loan with an unsecured risk portion. The risk associated with the unsecured portion is compensated for by Business Partners receiving a shareholding in the business. Only those businesses that are potentially able to generate sufficient cash flow to afford the regular repayments are considered for this type of financing investment. <b><u>Royalty Partner</u></b> In the case of smaller high-risk ventures, the cost of converting the enterprise to a company may not be justified. In this case, Business Partners recommends Royalty Partner. Similar in structure to risk financing, royalty partner provides the entrepreneur with the option of structuring the required investment as a loan & of Business Partners being compensated for the unsecured risk portion with royalty. The royalty is usually calculated as a percentage of the monetary value of turnover & is payable for the duration of the approved loan period or the actual loan period, whichever is the longest.
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<b>Social Development</b>	GRANT	PRP Thusanong Building P. O. Box 695 Bloemfontein 9300	<b>Free State Office</b> Tel: 051 403 2200 <a href="http://www.socdev.gov.za">www.socdev.gov.za</a>	<p>Funding is given to at least a group of 5 members. The group must have a constitution, and then Social Development will assist in registering the group as a non-profit organization (NPO)</p> <p><b>Documents</b></p> <ul style="list-style-type: none"> <li>- Registration form</li> <li>- Two copies of the organization's founding documents i.e. a constitution &amp; a deed of trust or a memorandum &amp; articles of association.</li> </ul>
<b>ABSA Bank</b>	LOANS/EQUI TY LOANS	P.O. Box 323 Bloemfontein 9300	<b>Free State Office</b> Tel: 051 401 0585 Cell: 082 419 6027 <a href="http://www.absa.co.za">www.absa.co.za</a>	<p><b>Production Credit</b> Short-term loan that enables the farmer to pay for agricultural inputs Normal loan requirements. Prime Rate: 15%</p> <p><b>Documents</b></p> <ul style="list-style-type: none"> <li>- Comprehensive business Plan</li> <li>- Copy of ID</li> <li>- Copy of registration certificate</li> <li>-- Application form.</li> </ul>
<b>Standard Bank</b>	LOAN	Bloemfontein Provincial Office P.O. Box 1586 Bloemfontein 9300	<b>Free State Office</b> Tel: 051 404 3460 Fax: 051 404 3208 Cell: 083 391 8686 <a href="http://www.standardbank.co.za">www.standardbank.co.za</a>	<p><b>Agricultural Production Loan</b> Short-term loan that enables the farmer to pay for agricultural inputs. Loans must be paid back in full at the end of each season (at the latest a year after it was taken up). Loan limit depends on the risk profile, assessed by taking into account any other medium-long term loan the farmer has. Loan ceiling apply whether the farmer is medium or high risk.</p> <p><b>Medium-term Loan</b> This type of loan is suitable for capital expenses and is paid off in the monthly installments over two to seven years, sometimes longer. The interest is linked to prime. The amount of the loan, the interest rate &amp; the farmer's repayment plan depend on how much collateral the farmer has &amp; the value of the assts the farmer wants to buy.</p>

				<p><b><u>Documents</u></b></p> <ul style="list-style-type: none"> <li>- Comprehensive business Plan</li> <li>- Copy of ID</li> <li>- Copy of registration certificate</li> <li>-- Application form</li> </ul>
<b>First National Bank</b>	LOAN	88 Maitland Street P.O. Box 244 Bloemfontein 9300	<p><b>Free State Office</b> Tel: 051 505 3271 Cell: 082 338 6190 <a href="http://www.fnb.co.za">www.fnb.co.za</a></p>	<p><b><u>Agric Short-Term Loan</u></b> Available in the form of a fluctuating overdraft, this loan is aimed at farmers or farming businesses operating as proprietors, partnerships, close corporations, companies, trusts &amp; cooperatives. It provides the working capital for day-to-day expenses &amp; to purchase items necessary for production.</p> <ul style="list-style-type: none"> <li>- This loan is normally repaid after the harvesting season.</li> <li>- Interest rates are linked to prime</li> </ul> <p><b><u>Documents</u></b></p> <ul style="list-style-type: none"> <li>- Budgets &amp; cash flow forecasts are required to support loan &amp; to work out the maximum amount required.</li> <li>- Existing mandate forms are required to open account for partnerships, close corporation, companies, e.t.c</li> <li>- copy of ID</li> </ul>
<b>Land Bank</b>	LOAN	P.O. Box 296 Bloemfontein 9300  78 St Andrew Str Bloemfontein 9300	<p><b>Free State Office</b> Tel: 051 404 1419 051 404 1452 fax: 051 447 7718 <a href="http://www.landbank.co.za">www.landbank.co.za</a></p>	<p>Normal loan requirements.</p> <p><b><u>Special mortgage loan</u></b></p> <ol style="list-style-type: none"> <li>a. special interest rate set at 10% fixed for 24 months.</li> <li>b. maximum loan at the special interest rate is R500 000</li> <li>c. if one borrows more than R500 000 the interest rate on the amount over R500 000 will be charged at standard rate for long-term loans.</li> </ol> <p><b><u>Documents</u></b></p> <ul style="list-style-type: none"> <li>- Business plan</li> <li>- Copy of ID</li> <li>-Proof of previous loans</li> <li>- Proof of assets or income (salary statement)</li> <li>- Bank statement.</li> </ul>
<b>World Bank</b>	GRANT LOAN EQUITY LOANS	Pro Equity Court First Floor 1250 Pretorius Str Hatfield Pretoria 0083	<p><b>National Office</b> Tel: 011 731 3087 Tel: 012 431 3100 <a href="http://www.worldbank.org">www.worldbank.org</a></p>	<p>A proposal must be submitted to World Bank for fund applications. Applicants should be members of a developing country.</p>

<b>Development Bank of Southern Africa</b>	GRANT LLOAN	P.O. Box 1234 Halfway House 1685  Headway Hill 1258 Lever Road Midrand	<b>National Office</b> Tel: 011 313 3911 Fax: 011 313 3086 <a href="http://www.dbsa.org">www.dbsa.org</a>	Provides grants for feasibility studies and BEE initiatives. Provides loans for infrastructural & rural development and commercially viable projects.
<b>Department of Trade and Industry</b>	LOAN	Private bag X 84 Pretoria 0001  77 Meintjies Street Sunnyside Pretoria 0002	<b>National Office</b> Tel: 086 184 3384 Fax: 086 184 3888 <a href="http://www.thedti.gov.za">www.thedti.gov.za</a>	<b>Individual Credit Guarantee Scheme.</b> Enables the entrepreneur to access funding from a participating bank or other financial institutions. The scheme enables the entrepreneur to access funding for purposes of establishing, expanding, or purchasing a business. Facilities secured under this scheme include; term loans, bank overdraft, revolving credit, installment sale, bank guarantees as well as construction performance guarantee. <b>Emerging Entrepreneur Scheme-Credit Guarantee</b> Provides up to R100 000 with the fee payable at 4% p.a in advance. The duration is 24 months initially but can be extended three times for periods of 12 months each time. The condition is mentorship of the loan.
<b>Kagiso Trust</b>	LOANS EQUITY LOANS	P.O. Box 1878 Johannesburg 2001  8 <sup>th</sup> Floor, Braamfontein Centre, 23 Joriseen street Braamfontein 2001	<b>National Office</b> Tel: 011 403 6319 Fax: 011 403 1940 <a href="http://www.kagiso.co.za">www.kagiso.co.za</a>	Provides funds to small scale agricultural enterprises for start-up and expansion capital. Security is not a prerequisite for funds allocation, but some form of commitment will be required from the enterprise seeking funding. <b>Documents</b> - Business plan - Application letter.
<b>Small Enterprise Development Agency (SEDA)</b>	INFORMATI ON & TRAINING	P.O. Box 56714 Arcadia 0007  Telkom Building Block B, 1 <sup>st</sup> Floor Nelson Mandela Rd Bloemfontein 9300	<b>National Office</b> Tel: 012 441 1000 086 010 3703  <b>Free State Office</b> Tel: 051 411 38201 051 444 4267 Fax: 051 444 4235 <a href="http://www.seda.org.za">www.seda.org.za</a>	Provides information to small enterprises and prospective entrepreneurs that will help and encourage them to start and build sustainable businesses. <b>Services provided by SEDA</b> - Information advice & referrals - import & export training - trade information - businesses assessments - technical support - business mentoring - market access



				<ul style="list-style-type: none"> <li>- Business linkages.</li> <li><b><u>Documents</u></b></li> <li>- Proof of registration</li> <li>- Copy of ID</li> </ul>
<b>National Empowerment Fund</b>	LOAN	<p>P.O. Box 31 Melrose Arc Melrose North 2076</p> <p>West Block 187 Rivonia Morning Side Johannesburg 2057</p>	<p><b>National Office</b> Tel: 011 305 8000 Fax: 011 305 8001 <a href="http://www.nefcorp.co.za">www.nefcorp.co.za</a></p>	<p><b><u>Imbewu Fund</u></b> The fund is designed to promote the creation of new businesses &amp; the provision of expansion capital to early stage businesses. It aims to cultivate the culture of entrepreneurship by offering debt, quasi-equity &amp; equity finance up to R20 million comprising:</p> <ul style="list-style-type: none"> <li>- start-up finance for new businesses</li> <li>- expansion capital for existing small businesses</li> <li>- financing of preferential procurement contracts</li> <li>- financing of rural &amp; community development projects</li> <li>- financing of franchised projects</li> </ul> <p><b><u>Documents</u></b></p> <ul style="list-style-type: none"> <li>- NEF application form</li> <li>- Business plan</li> <li>- Financial statements</li> <li>- For start-up, attach a five year financial forecasts emphasizing on why forecasts for sales are achievable &amp; costs are reasonable</li> <li>- Copy of ID</li> </ul>
<b>Department of Agriculture</b>	GRANT LOAN	<p>Private Bag X250 Pretoria 0001</p> <p>Private Bag X02 Bloemfontein 9300</p>	<p><b>National Office</b> Tel: 012 319 7553</p> <p><b>Free State Office</b> Tel: 051 506 1449 Tel: 051 506 1550 Fax: 051 448 6138 <a href="http://www.nda.agric.za">www.nda.agric.za</a></p>	<p><b><u>Food Security</u></b> Provides vegetable packs (5 different seeds, LAN, fertilizer), to individual households and production inputs to established groups</p> <p><b><u>CASP</u></b> Provides post-settlement support to the targeted land reform beneficiaries &amp; to other producers who have acquired land through private means &amp; are, for example, engaged in value-adding enterprises domestically or involved in export</p> <p><b><u>MAFISA</u></b> <b><u>Short Term Agric Production Loans</u></b> Purchase of production inputs To be repaid within 12 months except for perennial crops, which might take a maximum of 24 months</p> <p><b><u>Equipment</u></b></p>

				<p>Purchase of loose tools, small irrigation pumps &amp; equipment, sprayers, e.t.c.</p> <p>To be repaid within 12 months.</p> <p><u>Livestock</u></p> <p>Purchase of cattle, sheep, goats, pigs e.t.c.</p> <p>To be repaid within 60 months.</p> <p><b><u>Conditions</u></b></p> <p>Max. of R100 000 per individual applicant</p> <p>Interest rate: 8 % per annum (compounded)</p> <p>Money paid to suppliers</p> <p>Savings mobilisation</p> <p><b><u>Documents</u></b></p> <ul style="list-style-type: none"> <li>- Comprehensive business plan</li> <li>- Copies of ID documents of members</li> <li>- Copy of marriage certificate (where applicable)</li> <li>- Proof of address or GPS coordinate reading</li> <li>- Proof of rights of access to land- title deed, lease agreement, PTO</li> <li>- Market contact where available</li> <li>- Stock card/branding certificate (where applicable)</li> <li>- Proof of water rights (where applicable)</li> <li>- Bank statement (where applicable)</li> <li>- Registration certificate for LDV's &amp; tractors</li> <li>- Memorandum of agreement in respect of membership &amp; technical support offered by commercial farmer/agric-company</li> <li>- Assessment report from the extension officer/mentor/DFI field officer.</li> </ul>
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