



- Where applicable, draft Financials / Management accounts – in particular where the financial statements submitted are older than 12 months.
- Lease agreements (where applicable – i.e. farming activities on leased land and therefore a copy of the lease agreement is required). The term of the lease should be aligned to the finance term (or longer).
- Copies of other relevant agreements like water licenses, off-take agreements, management agreements as well as the offer to purchase if applicable.
- Where applicable, family tree reflecting ownership structure.
- Where applicable, applicant must have the Office of the Valuer General (OVG) property valuation available upon approaching a bank.

#### VISION

To facilitate meaningful participation of black producers and majority black owned enterprises throughout the agricultural value chains.

#### MISSION

This will be realized by creating producers who will serve as drivers of economic transformation through deliberate and coordinated support interventions.

#### BUSINESS PLAN MINIMUM INFORMATION REQUIRED:

- Overview of the farming business.
- Use and application of funding – breakdown of grant and own contribution with debt and how these will be applied.
- Owned land versus leased land and leases entered into.
- Farm description, land use breakdown and productive potential.
- Farming business operations – enterprises, crops produced, markets supplied etc.
- Management expertise (technical and financial), including off farm support.
- Production and yield history – which will help substantiate assumptions used in the cash flow projections.
- Analysis of historical financial performance – which will help substantiate the cash flow projections.
- Projected financial performance (cash flow projections with assumptions) demonstrating repayment of any debt.
- Risk assessment – covering business, financial, technological and strategic risk factors.

# The blended finance scheme



agriculture, land reform  
& rural development

Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA



## WHAT IS BLENDED FINANCE?

DALRRD provides a grant (as equity contribution for producers/ farmers) and leverage private funding in order to increase access to affordable finance for black producers/ farmers.

## EXPECTED OUTCOME

- Unlock and enhance agricultural production of targeted producers;
- Drive the commercialization of black producers, increasing employment, exports and replacing imports; resulting in increase in GDP and economic growth.

## THE USE OF THE FUND

- The acquisition of primary agricultural land parcels and/ or commercially viable agricultural sector value chain operating entities (agri-businesses).
- Support existing operations for expansion in production on privately owned or land reform farms (Brownfields and Greenfields operations);
- The purchasing of capital equipment and infrastructure (“CAPEX”).
- Working capital and/or production loan (“Production Facility”);
- Insurance pool provision for subsidisation of insurance cover where applicable.

## HOW TO ACCESS BLENDED FINANCE?

### Directly through Partnering Banks/ financial Institution:

- DFIs: Land Bank; IDC (Industrial Development Corporation of RSA),
- Private Banks: TBC
- Agri-Businesses: TBC

## WHO CAN APPLY?

- South African citizens with a valid identity document
- Black owned and managed farming enterprises that are commercially viable in commodities prioritised in the Agriculture and Agro-processing Master Plan, Aquaculture and Forestry.

- In the case of Joint Ventures, the non-black partner should have 40% but not less than 26% ownership in the enterprise;
- Enterprises with 10% Farm worker profit sharing;
- Youth, women, People with Disability and military veterans

## EXCLUSIONS

- Politicians in office (12 months cooling period) including special advisors;
- All government and State Owned Enterprise employees (24 months cooling period);
- Foreign nationals;
- Politically Exposed persons posing a reputational risk for credit provider’s lending policies;
- Applicants with no provision (minimum 10%) for farm workers profit sharing.

## COMMERCIAL BANKS MINIMUM REQUIREMENTS:

- Producer/entity must have industry experience and/or been trading for a minimum of 2 years and partnership/ support from commodity organisations will be favourably considered.
- Original certified FICA documents (ID copy, proof of residence and any other relevant FICA documents that may be required). No FICA documents to be submitted by existing clients, only supplementary documents as per the bank’s request.
- For opening of the accounts, the following documents are required:

### Sole trader:

- ID document
- Proof of address

### CC/COMPANY:

- CC and Company documents
- ID of the directors/members
- Proof of address of the directors/members
- Vat or Tax number if applicable

## FOR SECURITY PREPARATIONS:

### Sole trader:

- ID document
- How is a client married? If in community of property – ID document of spouse.
- If client is married out of community of property – ANC (Antenuptial Contract)
- CC/Company:
- All documents for CC or Company (specifically on Companies–this document is always about 10 pages).
- ID of Member/Directors
- How is the Member/Director married? If in community of property – ID of spouse.
- If married out of community of property – ANC (Antenuptial Contract).
- Shareholding certificate required for a company.

## FOR APPLICATION PROCESSING:

- Applicant must have done self-assessment to ensure that they qualify for grant support.
- Client to provide a profile of his farming operation including financial information and where relevant in relation to the size of the funding requirement, a formal business plan to be provided.
- Where applicable, copies of a minimum of 3 months’ bank statements for the farming entity. ‘
- If client already banks with a particular bank, there is no need to provide statements. Only applicable to new clients.
- Where applicable, annual financial statements /2-year statement of assets and liabilities for the farming entity.
- Financial information (in addition to financial statements), if not included in the business plan.
- Cash flow projection to be aligned with the finance period and crop cycles - i.e. in respect of annual crop production finance, a 24 month by month cash flow projection. If, however, the request is to finance long term crops (for example avo’s), the cash flow must be for at least 5-7 years.