

Confidential

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MEDIA STATEMENT: LAND BANK PARTNERS WITH AVO SOLAR FROM NEDBANK AND STANDARD BANK POWER PULSE TO PROVIDE ACCESS TO RENEWABLE ENERGY IN THE AGRICULTURAL SECTOR.

Land Bank launched its R1.2 billion rand Agro Energy Fund (AEF) in 2023 in partnership with the Department of Agriculture, Land Reform and Rural Development (DALRRD). The AEF is a blended finance scheme, which means it offers a mixture of grant and debt funding. Its objective is to provide funding support for the acquisition of alternative energy assets to assist the industry with energy cost reduction and alleviating the impact of power interruptions on operations. The scope of the funding is energy-intensive agricultural activities including irrigation, intensive agricultural production systems and on-farm cold chain-related activities.

Through the administration of AEF, Land Bank (with DALRRD's support) aims to give farmers and other Agro businesses an opportunity to invest in the future of their businesses in a safe and secure manner. Not only will they enjoy complete peace of mind and receive value for money, particularly with regard to post-implementation support, but they will also receive guidance and advice throughout the entire process from qualified professionals. This means farmers and Agro businesses will not have to go through the hassle of sourcing their own alternative energy installers. In this regard, Land Bank has partnered with Avo Solar from Nedbank and Standard Bank Power Pulse, as technical partners to implement the energy alternative assets for its clients. "We are proud to lead this industry level collaboration on renewable energy. This partnership with both Nedbank and Standard Bank enables us to take full advantage of the capabilities they have built when it comes to onboarding and vetting service providers. They both bring the requisite depth and breadth of technical service providers to implement a programme of this magnitude." Says Themba Rikhotso, Land Bank's CEO.

Directors: Ms R Nkosi (Chairperson), Prof JF Kirsten, Ms TN Mashanda, Ms NP Motshegoa, Ms D Maithufi, Ms E Pillay, Dr MM Tom and Adv DW Van der Westhuizen, Mr TM Rikhotso (Chief Executive Officer), Ms KH Mukhari (Chief Financial Officer)

Adv B Raseroka (Company Secretary)

“Land Bank has structured its partnership with the two partners such that the applicants can receive the best possible advisory and the best possible quote, wherever they are located, in the country. Technical understanding is a key ingredient to ensuring that clients get the right solution for their needs. This is why aggregators such as Avo Solar from Nedbank and Standard Bank (Powerpulse) are very important in the AEF programme.” Says Rikhotso.

“Through the services of these two partners, clients can have their energy requirements mapped out to understand, for instance, the estimated costs and savings of a hybrid solar system over time. This provides invaluable insights for informed decision-making. We realised the need for this high level of understanding by clients and sought the best technical partners to ensure they are well covered.”

"Considering the financial pressures that farmers face, we are confident that the AEF, especially because of the grant funding component, will provide the much needed reprieve to Agro businesses, on the total cost of energy. This fund will also play a key role in helping protect the financial viability of the sector and therefore also to protecting the livelihoods that the sector supports. Furthermore, we believe it will support the national imperatives of food security and protecting our planet”.

The AEF blended finance scheme works on the basis of a sliding scale, wherein, the smaller the size of the business, the higher the grant portion. It is open to all farmers and Agro businesses. Qualifying businesses are encouraged to start applying immediately in order avoid missing out.

The sliding scale is as follows:

Farmer / Agro business	Large Scale	Medium Scale	Small Scale
Turnover	>R10m<R50m	>R1m-R10m	>R500k<R1m
% Grant	30%	50%	70%
% Loan or Own Contribution	70%	50%	30%
Grant Caps	R1,5m	R1m	R500k

For applicants to qualify for the AEF, they must be:

- South African citizens with a valid ID (must be 18 years and above) and/or a registered business entity,
- Applying to implement an energy efficiency project or to implement a project that offsets electricity from the grid through self-use renewable energy,
- A business operating an agricultural business at the primary or secondary level,
- Able to demonstrate the capacity to use the energy requirements applied for,
- A smallholder, medium-scale, large-scale or mega commercial producer operating in the agricultural sector,
- Producers involved in energy-intensive farming enterprises including on-farm cold chain-related activities,
- Able to provide proof of land ownership or proof of access to land (lease tenure must be aligned to the term of the loan at the minimum).

Note:

- Only one application per entity or applicant will be considered, and
- No debt takeovers, debt settlements or refinancing will be provided.

Find out more at www.landbank.co.za

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Enquiries

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