

Confidential

The Land and Agricultural Development Bank of South Africa
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Registered credit provider: Reg. Number NCRCP18

MEDIA STATEMENT

Strong Demand for Land Bank's Blended Finance Scheme Reflects Growing Agricultural Financing Needs

Land Bank temporarily pauses new BFS applications as demand exceeds available annual R325 million grant allocation from the Department of Agriculture for 2026/2027, which the Department has already released to Land Bank. The R325 million has already been committed to applications received to date.

The Land and Agricultural Development Bank of South Africa (Land Bank or Bank) has temporarily paused the acceptance of new applications under its Blended Finance Scheme (BFS or Scheme) following the full commitment of the grant allocation available to the Scheme for the remainder of the 2026/2027 financial year.

The decision follows exceptionally **strong demand for the Scheme**, which has expanded access to affordable agricultural finance for qualifying farmers and supported transformation, investment and growth across South Africa's agricultural sector. Since the launch of the BFS in FY2022/2023, approximately 540 clients/beneficiaries had been supported by the end of FY2025/2026.

The BFS is a 10-year partnership between the **Department** and the **Land Bank**, under which the Department provides an **annual grant allocation of R325 million**. Land Bank complements this grant allocation by providing a loan component to qualifying clients.

The BFS is primarily intended to improve access to affordable finance for qualifying historically disadvantaged farmers, thereby supporting their participation, growth and increased integration in the agricultural economy.

Demand for grant-supported financing under the BFS has **significantly exceeded the annual grant allocation available to the Scheme for the current financial year**. The grant allocation made available for FY2026/2027 has been fully committed to BFS transactions, and the Bank has therefore paused the acceptance of new BFS applications to ensure that no further grant-supported commitments are made beyond the allocation currently available to the Scheme.

Directors: Directors: Mr M Skwatsha (Chairperson), Ms KV Rantao (Deputy Chair), Ms S Dlungwane, Ms S Ford, Prof J Kirsten, Ms PH Maseko, Ms TF Matlala, Mr MA Moloto, Ms E Pillay, Ms KH Mukhari (Chief Financial Officer), Mr J Mphambo (Acting Chief Executive Officer)

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BFS has not been discontinued

The Blended Finance Scheme has **not been discontinued**. However, due to the available grant allocation having been fully committed, the BFS will not be open for the remainder of the current 2026/2027 financial year.

Under the current BFS arrangement with the Department, a further annual grant allocation of R325 million is expected for FY2027/2028. The Bank will communicate the reopening of applications once sufficient grant allocation is available to support new BFS commitments.

Land Bank is also engaging with the Department of Agriculture, National Treasury and other potential funding partners to explore additional and alternative sources of grant and concessional funding to supplement the annual BFS grant allocation and expand access to affordable agricultural finance.

Land Bank remains open for business

Importantly, the temporary pause in BFS applications **does not mean that Land Bank has stopped lending**.

Land Bank remains fully open for business and continues to provide 100% loan financing across its range of agricultural financing solutions. These include mortgage loan facilities for the acquisition of agricultural land and property, revolving credit facilities for working capital and production requirements, instalment finance for agricultural machinery and equipment, term loans and structured financing solutions for qualifying farmers and agribusinesses.

Farmers and agribusinesses requiring funding are therefore encouraged to continue approaching Land Bank. Applications will continue to be considered in accordance with the Bank's normal credit assessment and approval processes.

Acting Chief Executive Officer, Jabu Mphambo, said:

“The strong demand for the BFS demonstrates the important role that affordable and innovative financing solutions play in broadening participation in South African agriculture. The grant allocation available to the Scheme for FY2026/2027 has been fully committed. The temporary pause in accepting new BFS applications is a result of demand exceeding the annual grant allocation provided by the Department of Agriculture.”

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“The BFS has not been discontinued. Land Bank remains fully open for business and continues to provide 100% loan financing to qualifying farmers and agribusinesses. Land Bank will also continue working with Government and other partners to explore opportunities to mobilise additional grant and concessional funding to support emerging farmers and expand access to affordable agricultural finance.”

Land Bank will keep clients, prospective applicants and stakeholders informed of material developments and will communicate when applications under the Blended Finance Scheme can resume.

ENDS

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