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PRESS RELEASE

Collaboration crucial in unlocking South Africa's agriculture sector potential.

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The Land and Agricultural Development Bank of South Africa ("Land Bank") is on course to deliver on the new strategic direction it has adopted. One of the key features of the Vision 2020 strategy is; growing the agricultural sector in an inclusive and transformed manner. TP Nchocho, Land Bank Chief Executive Officer, said today.

Speaking at a Land Bank media briefing held in Sandton this morning Nchocho said that if the agricultural sector was to realise its full potential and contribute positively towards South Africa's economy, which is currently growing at a painfully slow pace, it must work hand-in-hand with Government and other role players in the sector.

"For this strategic sector to grow and safeguard the country's food security it must seize the opportunity to open up and be accessible to emerging farmers. Inclusive participation will certainly lead to sustainable growth, ensuring that as many people as possible contribute and benefit from the economic benefits driven by the sector," Nchocho said.

He added that funding alone was not the sole catalyst for growth. The transfer of skills from large commercial farmers to emerging farmers, including vulnerable groups such as women and the youth was a key component for driving growth of the South African agricultural sector.

Mr M A Moloto (Chairman) Mr T P Nchocho (Chief Executive Officer) Prof A S M Karaan Ms S A Lund
Ms T T Ngcobo Ms D Motau Ms N Zwane Ms D Hlatshwayo Adv S J H Coetzee Ms M E Makgatho
Ms G Mtetwa Mr B van Rooy (Chief Financial Officer) Mr A Yabo (Company Secretary)

“Our programme of working with commercial intermediaries will equip emerging farmers with the necessary skills which will improve the quality of their outputs and provide access to markets through full participation in the industry value chain. The significance of this program is demonstrated in the vote of confidence it has recently received from the World Bank, through the extension of a R1,3 billion credit line, supported by government guarantees, that will give impetus to our Financial Intermediation Project,” Nchocho said.

Nchocho pointed to the successful Sernick Co-op project; the Mouton Citrus empowerment deal as well as the 25% acquisition of the Fruit Farmers Group by the 100% black-owned Talis Investment Group - all financed through Land Bank recently, as proof that transformation in the agriculture sector is possible when willingness and collaboration exist amongst different role players.

In addition, Nchocho reported that Land Bank plans to allocate approximately R3-billion in total disbursements to the agricultural sector, of which around R1-billion will be allocated towards development transactions in order to transform the sector during the 2018 financial year.

“We will continue as part of our mandate to make sustainable financing available to intermediaries to further transformation, sector growth, employment quality, food security and sustainable development,” concluded Nchocho.

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