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PRESS RELEASE

Collaboration towards economic transformation and social inclusivity in the agricultural sector already happening.

24 May 2017. The Land and Agricultural Development Bank (Land Bank) was amongst the leading voices contributing to a vibrant dialogue on ramping up transformation and social inclusivity in the agricultural sector at this year's NAMPO Harvest Day.

The dialogue forms part of an ongoing In Transformation Initiative to get role players in the sector to agree and partner on initiatives to open up the sector to previously disadvantaged and vulnerable groups, including black farmers, women and youth.

The Bank used the opportunity to demonstrate that development impact is possible when established role players in the sector commit to the transfer of knowledge and skills and provide the necessary technical support to new entrants for them to integrate into established value chains.

For TP Nchocho, Land Bank CEO, it is important for dialogue of this nature to give effect to real access for small-scale and emerging black farmers to grow into viable commercial enterprises. "The conversations with the various role players this week has confirmed something we have seen for some time now - that there is a genuine willingness amongst many major commercial players in the sector to impart knowledge, skills, mentorship and even investment to support emerging black farmers who would like to participate and grow in this sector, particularly women and youth. The debate is moving beyond an issue of "the haves" versus "the have nots" towards the creation of an enabling environment that removes the barriers to access for black participants and create partnerships between established commercial farmers and emerging farmers."

Land Bank is already working with a range of stakeholders to achieve transformation and social inclusivity in the agricultural sector. In addition to the direct debt and equity funding provided to both commercial and emerging farmers, this collaboration is seeing an increase in development financing through established commercial business in the sector who act as intermediaries, on-lending to emerging farmers around them. This move towards a more blended finance approach is ensuring that funding goes to those who really need it, enabling organisations such as Land Bank to appropriately manage the risks associated with this type of lending.

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)

Examples of successful partnerships currently being driven by Land Bank include the work it is doing with 59 emerging black livestock farmers in the Free State, giving them access to an established value chain through an intermediary financing partnership with the Sernick Group, one of the largest end-to-end livestock producers in the country. Sernick assumes the risk on behalf of these farmers, on-lending to them and providing the requisite technical and market access support.

The Bank also showed how it is working to bring more land into productivity especially where there are challenges associated with land reform and restitution as well as communal land. Land Bank is one of the financiers of the Ndwandwa Community Trust in Badplaas who acquired 29 farms on 9800 hectares through successful land claims in 2003. By facilitating a partnership with a commercial farmer who provides the necessary technical support to the community trust, a total of 555 hectares have been brought under production with a mix of maize, soya beans and dry beans already planted. More land is being earmarked for production in a phased approach.

Similarly, Land Bank has partnered with Akwandze Financial Services in Mpumalanga to bring communal land in the area under production. Working through Community Property Associations and Strategic Partners as well as through Small Scale Growers in the sugarcane production industry, the partnership has already seen the creation of nearly 4000 jobs, the establishment of 17 new businesses along the agri-value chain and an off-take agreement with RCL Foods for the emerging farmers.

“Role players in the sector are beginning to realise that solutions to the transformation question are beyond just about financing. There is so much intellectual property and know-how held by established commercial enterprises in this sector that must be transferred to new entrants and in particular, black farmers, women and youth to scale up economic transformation and social inclusivity in the sector. Land Bank remains committed to working with all these role players on partnerships that will achieve real development impact across the sector,” concludes Nchocho.

For more on the examples mentioned above, click [here](#).

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