



# Agribusiness contributes to the National Development Plan through **Enterprise Development**

  
agricultural business chamber  
the way to prosperity



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Published for



by



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This publication was funded by Agbiz as part of its core strategic objectives:

1. To promote agribusinesses and Agbiz as key stakeholders and role players in the South African economy.
2. To influence the policy and legislative environment insofar as it affects agribusiness activities, by way of on-going and professional interaction with all relevant government institutions.
3. To improve the commercial and sustainable agribusiness environment through liaison and co-operation with influential groupings within the business environment, both locally and internationally.
4. To support B-BBEE, transformation and development of emerging agribusiness and other role players in the agro-food value chain.
5. To create unique, relevant and accessible agribusiness intelligence to support Agbiz programmes.

### Disclaimer

Although care has been taken to ensure the accuracy of the information in this publication, Agbiz takes no responsibility for the accuracy of the opinions contained therein.

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## FOREWORD

### Agribusiness contributes to the National Development Plan through Enterprise Development

While job creation is an important goal of government, the establishment and development of new enterprises, especially sustainable farming enterprises run by previously disadvantaged black farmers in the South African agro-food system, is of far bigger importance. Not only do these new enterprises contribute significantly to the country's food security, they also provide much-needed employment opportunities.

In setting its goal of establishing 1 million new jobs in the sector by 2030, the National Development Plan (NDP), also known as Vision 2030, makes a strong case for the development of new black farmers. The NDP has been adopted by Government as its overarching policy framework for South Africa.

One of the key tenets of Vision 2030 is that it calls for an active citizenry in the cycle of development that is required for the National Development Plan to be implemented successfully – see diagram.

The success of Vision 2030 will be measured by how effectively it is implemented to achieve its objectives and goals. A capable, strong, competitive and well developed agribusiness sector is essential to ensure the global competitiveness of our different agro-food value chains and thus food security for the country and its people.

Already South Africa's agribusiness sector is the envy of many African countries, providing competitive access to finance, access to technology and access to markets, and contributes significantly to the country's relatively good level of food security. This capacity and capability provides

### An approach to change



Source: National Development Plan



an excellent basis for greater growth and development of the sector in order to meet the targets as indicated in Chapter 6 of the NDP, entitled "An integrated and inclusive rural economy".

However, the contribution of agribusiness to South Africa goes much further than just economic participation through value-adding services and products. The enterprise development contribution of agribusinesses to especially rural societies and communities in our country is significant and needs to be recognised. In this publication, Agbiz highlights some of the contributions of those members who elected to participate in this initiative.

This Agbiz publication complements the previous publication on the contribution of agribusinesses to socio-economic development (SED). The publication is not an exhaustive list of active citizenry participation, but provides some insight into the highly commendable enterprise development initiatives and approaches of a number of its members. Agbiz trusts that readers will identify with this constructive contribution by agribusinesses to making our beloved country, South Africa, a better place for all.



**Dr John Purchase**  
**CEO: Agbiz**

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AFGRI is a leading agricultural services and processing company with its core focus on grain commodities. AFGRI understands farmers, farming and food, as well as what it takes to be a successful farmer.

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The vastness of South Africa, coupled with a good climate, allows the country to be a leading food producer, producing sufficient food to feed the nation and export surpluses globally. However, in order to ensure sustainable agricultural practices in future, it is essential that the sector invests in the development and training of emerging farmers to become more commercially viable.

AFGRI is committed to playing its part in providing support to existing large commercial farmers and contributing to the development of smaller, emerging farmers.

### Harvest Time Investments

In recognition of government's efforts to transform the agricultural production sector, AFGRI launched its Harvest Time Investments initiative in 2012. The Harvest Time Investments programme is targeted at micro-emerging farmers and large emerging producers. It operates as a joint venture

with the Vastfontein Community Centre outside Hammanskraal near Pretoria. The programme assists farmers with a diverse range of practical and theoretical training over a five-year period. Farmers also benefit from experienced mentors and tutors giving guidance throughout the entire agricultural value chain.

This emerging farmer initiative operates within the parameters of a number of strategic partnerships including seed, fertiliser and other input suppliers, mechanisation companies and several governmental bodies.

Direct benefits include technical skills transfer, more employment opportunities, increased personal income and community transformation.

After successful completion of the programme, AFGRI's numerous divisions are available to assist farmers with financing and insurance solutions, mechanisation, grain storage, management, marketing and other services.



The AFGRI Emerging Farmer Training Programme was launched on 21 May 2013 on the training farm north of Pretoria.

In recognition of government's efforts to transform the agricultural production sector, AFGRI launched its Harvest Time Investments initiative in 2012. The Harvest Time Investments programme is targeted at micro-emerging farmers and large emerging producers.



## Success stories

### Temaretha Farming Co-operative

Through land reform, Temaretha Farming Co-operative acquired a farm located near Nigel. The farm is 214 hectares, of which 120 hectares are arable. During the 2012/13 season farmers started off by planting soya beans on 70 hectares and harvested 56 tonnes. AFGRI became involved in 2013/2014 and provided training, mentorship and financial assistance to the farmers. Farmers were advised to switch from soya beans to maize production. They planted white maize on 110 hectares and harvested 5,5 tonnes per hectare. The first harvest enabled them to repay the production loan and to purchase a new tractor. Direct benefits related to this project include an increase from three to eight permanent employees, improved technical skills of members and increased personal income from the employment created. Additional seasonal employment was created during harvest time.

### Sanso's Trading Enterprise CC (Sanso)

Sanso Trading Enterprise CC (Sanso), located in Carolina, is 100% owned by Solomon Masango. Sanso operates on a leased farm of 617 hectares of which 250 hectares are arable land. Through the AFGRI emerging farmer programme, Sanso's members received technical training and a production loan to plant 120 hectares of maize and 130 hectares of soya beans. A yield of 4,5 tonnes per hectare was achieved for maize and 0,8 tonnes per hectare for soya beans. At the end of the season, Sanso repaid the loan and secured good profits. Technical skills transfer and mentorship improved the total value generated. Additional seasonal employment was generated during the harvesting season, which had a direct impact on the personal income of those involved.



Agri Mega NPC is a non-profit agricultural development company and part of the Agri Mega Group. It is one of three implementation agents tasked by the Western Cape Department of Agriculture (WCDoA) to facilitate black farmer establishment. All projects are funded by the government's Comprehensive Agricultural Support Programme (CASP) and Ilima Letsima. The nature of Agri Mega's role is primarily project recruitment and administration, which are performed in co-operation with the respective commodity organisations and WCDoA extension staff.



### Wool and sheep projects Smiles Farming Project



The Smiles Farming Project (trading as Dehs Farming) is a sheep and wool project situated in Spanjaardskloof in the Overberg District. It comprises four beneficiaries, all members of the Smiles family. Together, the family has farming experience of more than 70 years. Samantha Smiles, the representative of the enterprise,

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Agri Mega has been actively involved in black farmer establishment since 2009, focusing intensely on dairy and grain, as well as sheep and wool farming. Mohair and food security (household and communal projects) have also been entrusted to the company. Agri Mega is currently replicating its model on new farmer establishments in the rest of the country, especially in the Western Cape, North West and KwaZulu-Natal.

Agri Mega is a strategic partner in the recapitalisation project of the Department of Rural Development and Land Reform (DRDLR) and has been transforming some of the government's failing farms into successful operating units. The Department of Trade and Industry (the dti) has appointed Agri Mega to run its incubator projects.

has an education level of Grade 12 and a certificate in marketing studies. The farm is 104 hectares, of which 28 hectares are used for natural grazing, 75 hectares are dry land (rain-fed) and 1 hectare is not suitable for farming. The beneficiaries' goals are to be sustainable, create job opportunities and build a future for their children. They intend to obtain additional land to expand their farming business. The project is under the mentorship of Ralph Swart, a black commercial farmer in the Overberg district. Currently, Agri Mega and WCDoA, together with the selected mentor, support the project with appropriate training. The mentor also gives assistance by helping them to gain access to markets.

### Goedgeloof Farming Project



The Goedgeloof Farming Project is located near Barrydale in the Overberg district. It is a mixed farming venture consisting of grain as well as sheep and wool production. The three beneficiaries received the land through the Financial Assistance Land (FALA) process of the National Department of Agriculture. They focus on beef production. The project mentor is Dirk van Papendorp, while Lawrian Michaels manages the bookkeeping. Mr Brian Michaels, the representative of

the enterprise, together with his wife and daughter, farm with sheep and cattle and cultivate a total dry land production of 260 hectares. He is currently in the process of purchasing a farm of 2 110 hectares next to the farm he is currently farming on. Agri Mega, WCDoA and the selected mentor support the project with appropriate training. The mentor also helps them to gain access to markets.

### Meulenhof Farming Project



The Meulenhof Farming Project is a wool and sheep project located outside Ceres in the Cape Winelands. The project operates as a trust with three beneficiaries whose main goals are to become sustainable and generate profit from the enterprise. The beneficiaries boast farming experience of over 100 years. Byno van Huffel Snr acts as mentor for the project. Byno van Huffel Jnr, the representative of the farm, recently competed against commercial farmers at the Beaufort West show with his pure-bred merinos. He won the first prize in the interprovincial Wool Group competition and walked away with the title "Reserve Champion". The project is being supported with training by the WCDoA, Agri Mega, National Wool Growers' Association and their mentor.

### Grain projects Knolkop Empowerment Trust



The Knolkop Empowerment Trust project is located in the Swartland area between Malmesbury and Moorreesburg in the West Coast District. The farm of 379 hectares is jointly owned by the trust and two commercial farmers, Corne Rust and JP Truter, who also act as mentors for the project. The farm consists of 330 hectares of arable land, on which minimum tillage and crop rotation is practised. The project has 10 beneficiaries with farming experience of more than 50 years in sheep and wool, as well as grain production. The objectives of the beneficiaries are to plant every available field to medics, giving them the opportunity to plant 50% of the field with wheat, and make hay bales from the rest of the medics to sell for an extra income. The project is currently supported with training by the WCDoA, Agri Mega, Grain SA and its mentors.

### Swart Boerdery

Swart Boerdery is a third-generation farming project that was started by Ralph Swart in 1978. The farming land is situated in the Overberg District in the Elim area. The business is registered as a close corporation and all four members are part of the Swart family. It is a mixed farming



enterprise that leases land from the Moravian Church. Of the 1 240 hectares of arable land, 240 hectares are used for natural grazing and 985 hectares for dry land production. The operation's objective is to create and maintain a profitable and sustainable farming operation. This year they have planted 125 hectares barley, 260 hectares wheat, 75 hectares cash oats and 220 hectares pasture oats. Swart was nominated by Grain SA as New Commercial Farmer of the Year for 2014. He and his business partners, his wife, Preline Swart and his two sons, Leaan and Jacques, recently bought their own farm in the Cape Winelands. The project is currently supported with training by the WCDoA, Agri Mega, Grain SA and its mentors, who also help them to gain access to markets.

### Genadeshoop BK



Genadeshoop is located near Piketberg, in the West Coast district. The project has 600 hectares available for agriculture. The five beneficiaries who have previously received assistance from the Grain CPAC are now successful grain and livestock farmers. Together they have farming experience of more than 100 years. The project mentor is Stephanus Richter. These farmers became the owners of their own farm in 2014 and are on their way to becoming commercial farmers. The project is currently supported with appropriate training by the WCDoA, Agri Mega, Grain SA and their mentor. The mentor also helps them to gain access to markets.

### Dairy projects Elim Dairy

Elim Dairy is located in Elim close to Bredasdorp in the Overberg District of the Western Cape. The Moravian Church of South Africa is the owner of the land. Currently, the dairy is operating on a small scale with 112 dairy cattle on 23 hectares of irrigated pastures. The cattle are owned by various members of

the community, thus providing an investment for the community. The long-term goal of the project is to have 420 hectares of which 300 hectares are dry land and 120 hectares irrigated land to sustain 450 cows.

### Jackalskraal Farming Trust

Jackalskraal Farming Trust is situated outside Plettenberg Bay in the Little Karoo. The farming trust operates as a legal entity and comprises 13 beneficiaries. Their farming experience adds up to 30 years, with Quinton Hoffman having approximately seven years of experience in the dairy industry. The farm consists of 242 hectares of which 110 hectares are arable land. They currently have 510 jersey cows of which 250 are in milk. Their main goal is to become sustainable, expand their operation and generate more profit. They are being supported with appropriate training by the WCDoA, Agri Mega and their mentor, Gert Beyleveld. Beyleveld also helps them to gain market access.



Astral Foods is a leading South African integrated poultry producer. Key activities consist of animal feed premixes, manufacturing of animal feeds, broiler genetics, production and sale of day-old chicks.

### Contract growing

The production of broilers and broiler feed is highly scientific in nature and remains one of the core competencies of Astral Foods. Contracting out its broiler growing operations to independent entrepreneurs enables Astral to focus on the specialised and capital-intensive elements of day-old chick production, feed manufacturing, processing and marketing. In the process it not only frees itself up from having to invest in and manage a number of broiler growing units, but it also allows independent entrepreneurs, including a growing number of black farmers, the opportunity to venture into this market segment. While Astral supplies the key raw materials, scientific and technical know-how, the contract grower provides adequate housing, infrastructure, equipment and labour. He takes good care of the broilers from one day old until they are ready for the market at 33 to 34 days. The concept of contract growers was already introduced in 1980,

and is based on a similar model used in Europe and the US.

Goldi and Festive, the two Astral Foods-owned broiler production units with their processing plants, are situated in Standerton (Mpumalanga) and Olifantsfontein (Gauteng), respectively.

Astral invests in and owns the supply chain of the breeding of genetic material in the form of grandparents, parents and day-old chicks as well as the facilities to produce fertile eggs and day-old broiler chicks. The contract growers bring the day-old chicks to a market-ready weight in about 33 to 34 days.



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Highly efficient Ross 308 day-old chicks are one of the critical and scarce raw materials in a successful broiler production system. Since the other main raw material required for successful broiler production is animal feed, Astral makes significant investments in the science and technology of the production thereof. Furthermore, Astral has invested in the construction of a number of large high-throughput processing plants where broilers are slaughtered humanely. Through the implementation of the latest technology, the carcasses are processed further into a number of highly nutritious and wholesome products for the retail, wholesale and quick-service restaurant (QSR) markets. These products are marketed under the well-known brand names of Goldi, Festive, County Fair (Western Cape) and Mountain Valley (KwaZulu-Natal).



**A well-designed broiler production unit.**

### Benefits of contract growing model

Contract growing as a model has distinct benefits for both Astral and the contract growers. On the one hand, Astral does not have to invest in capital-intensive broiler farms, but can rather focus its investments on research and development, new technology and improving the efficiency of its feed manufacturing, broiler

production, meat processing and product development. Furthermore, Astral is able to expand production, but at the same time contain overhead expenses more effectively through the volume growth created by contract growers.

The contract grower, on the other hand, has the opportunity to develop his own enterprise, backed by access to the technology, raw materials and markets that would otherwise have been exceedingly difficult for him to access on his own. At the same time, the contract grower shares in the benefits of research and development in feed manufacturing, as well as the improvements and advances in broiler production.

The fact that growers are able to harvest seven or eight chicken crops per annum creates an opportunity to generate positive cash flow and enables them to spread the risk of their existing farming enterprise over a wider range of activities.

An inherent risk of broiler production, the risk of disease, is diluted over a larger area, with benefits to all participants.

Over and above securing growing contracts with established commercial farmers, Astral specifically engages in sourcing black farmers with the ambition of becoming contract growers in their own right. However, obtaining the necessary finance is quite a challenge despite government's commitment to aid black farmers. As a result, a number of successful white contract growers entered into partnerships with black farmers – in some cases their own employees.

In order for Astral to stay in touch with the demands and challenges of broiler rearing, it

**” Astral produces over 5 million broilers per week in total, of which the business units Goldi and Festive produce 3,25 million. Of these, 2,5 million broilers, which constitutes 76%, are produced by contract growers. Eighteen of Astral's 75 contract growers are black contractors. Of these, 12 are fully black-owned, while the remaining six are empowerment initiatives with a white-black partnership.**



**Astral makes significant investments in the science and technology of the production of animal feed.**

is important to maintain its own broiler production units. This enables the company to use these units as a benchmark for aspects such as fair remuneration and realistic performance expectations.

Astral remunerates its contract growers according to three elements. The first is remuneration for reasonable production costs, the next is a margin element that takes care of the management fee and capital investment, and thirdly, there is a production-driven fee that remunerates excellence.

In the broiler industry production efficiency is of cardinal importance. This is the single factor that determines success, and most certainly Astral's own success. Costs of raw materials are continually rising, while the margins in the market are continually declining. The factors that determine profit margins in a broiler unit are mortalities, weight gain and feed conversion.

In a broiler growing unit, the relationship between science and stockmanship becomes wholly intertwined. Where Astral has to provide the most effective genetic material and feed, the contract grower has to provide the environment in which these two elements can reach their full potential.

For Astral, it is of cardinal importance that all products displayed under the trademark of Astral's various business units are of top quality. This is why it is so important that all the contract growers are successful and why there is a highly capable technical team in the field to support them every step of the way. This is also the reason why the concept of contract growing with Astral is so successful and why its contract growers thrive in the supportive environment where expert support is always at their fingertips. This, however, does not negate all risks for a contract grower, as the chicken business is risky, but the support structures provided by Astral minimise these risks significantly.

There is no doubt that contract growing offers an excellent environment in which Astral can fulfil its aim to produce high-quality, nutritious and wholesome chicken products. At the same time they are providing willing entrepreneurs with an opportunity to develop their own enterprises, either in order to diversify their existing businesses, or as new entrants to the agricultural sector.

Since the 1990s neither Festive nor Goldi have built any new broiler production units. That investment is left for the contract growers. Astral's aim has always been to make sure that its processing plants are equipped with the best technology and that the company has the best genetics available to provide its contract growers with the best possible day-old chicks.

This relationship dilutes risks on both sides and has a built-in empowerment aspect that offers significant advantages and opportunities in terms of the reform of the agricultural sector.



BKB drives economic empowerment and development of upcoming wool and mohair producers.

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BKB is a significant player within the agricultural industry in South Africa. The group's business broadly entails the handling and marketing of agricultural products (wool, mohair, grain, sugar and livestock), the provision of farming requisites, financing and other related activities.

BKB is reputed to be a preferred employer with a staff complement of 3 492 employees, of whom 1 370 are permanent and 2 112 are seasonal and learners.

For three consecutive years, BKB has been voted the best company to work for in the agriculture sector by Deloitte's survey of South African employers.

**Empowerment Trust**

Emerging farmers from historically disadvantaged communities in Southern African rural communities have received R3 million in shareholder dividend payments from BKB in 2015. This cash injection will support poverty alleviation, job creation and economic empowerment of emerging farmers and rural farmers of the Eastern Cape's





former Ciskei and Transkei regions, as well as Lesotho. These farmers supply wool and mohair to 964 shearing operations in the region.

The upcoming farmers from the Eastern Cape and Lesotho today have a 13,62% shareholding with equal rights worth R73 million in the company. This flows from BKB's empowerment strategy that aims to build a more inclusive agriculture economy.

Wool and mohair that are procured, sorted and traded by BKB on behalf of small livestock farmer shareholders represent 11% of the total Southern African wool and 25% of the mohair clip. Upcoming farmers produced 629 tonnes of mohair with a market value of R41 million in 2015 and 6 185 tonnes of wool with a value of R241 million.

### Development programmes

The shearing training and skills development programme have been strategically designed to address unemployment and critical skills shortages in South Africa's wool and mohair production regions. The critical shortages of skilled shearers are compelling established South African commercial wool and mohair farmers to use around 1 700 foreign national shearers from neighbouring African countries annually.

It is estimated that South Africa's wool and mohair industry's annual GDP contribution of R2,7 billion could be significantly increased if emerging livestock farmers are continuously upskilled, supported and capacitated to participate in production



Hand shearing demonstration.

and agro-processing. BKB is working very closely with the government and organised agriculture on several initiatives that will add value to emerging and commercial farmers in the country.

BKB has initiated several development programmes that support the inclusion of emerging farmers into the formal economy.

- **Wool classing training**

BKB conducts approximately 20 wool schools per year throughout the country to agricultural students at institutions, such as universities, colleges, schools and private entities like farmers' associations. BKB presents certificates for piece picking, wool handling and wool classing.

- **Shearing initiative**

BKB formalised a joint venture agreement with the Coega Development Corporation (CDC) for an R11 million shearing training and skills development programme. Through this partnership, BKB and CDC will recruit 338 beneficiaries for a one-year training programme in technical shearing and wool classing.

### Training and operations project plan

- **Shearers**

BKB currently employs around 1 700 people, of whom 80% are Lesotho citizens, to shear 5,5 million animals for the South African wool and mohair industry. BKB has registered shearing as

a SETA-accredited course. The course runs over six weeks, and it covers very basic farm management aspects. Once the theoretical course is completed, learners are trained in the physical shearing of the sheep for two weeks. From this point on shearers are required to exercise their skills on farms until they are able to shear at least 60 sheep per day. For the year that it takes to qualify, learners earn a stipend of R800 every two weeks, with all lodging and food supplied.

After having qualified, shearers will have the opportunity to become full-time employees of the BKB shearing service, where they will be deployed into shearing teams to operate nationally.

It is BKB's vision to equip shearers with the necessary training and skills to eventually venture out as entrepreneurs, providing a fully-fledged shearing service in exchange for payment. Each team will be provided with transport to travel from farm to farm, a fully-equipped caravan to cook and sleep in, as well as the necessary shearing equipment to provide a professional shearing service. BKB will provide the customer base.

It will most likely take three years to achieve this goal. Training will include driving skills, basic management and finance skills, vehicle and caravan maintenance as well as entrepreneurial skills.

- **Pressers and sorters**

BKB currently employs 150 to 200 seasonal contract sorters and pressers on the wool floor. It is the company's goal to upskill 25 sorters and pressers annually

**BKB currently employs 150 to 200 seasonal contract sorters and pressers on the wool floor.**

and to equip them with either the Wholesale and Retail Distribution qualification, or the Wool and Mohair Handling qualification. The intake for these positions will in all likelihood be female employees. In keeping with the national drive to uplift our disabled population, BKB will endeavour to place deaf female employees onto this programme.

Contract employees who have completed the programme will be guaranteed continuous employment within the company.

- **Graduate training programme**

BKB's management approved the strategic initiative to invest in a pool of trainees that, over time, would become the source of appointments into permanent vacancies throughout the business. One year after the commencement of this programme, 12 graduates were successfully placed into

permanent positions. The graduate training programme, powered by Deloitte/DDI, addresses the need to fast-track the development of workplace-ready future leaders.

### Agri Mega Empowerment Solutions

BKB has continued its support of Agri Mega Empowerment Solutions (AgriMES). AgriMES's primary objective is to assist or accelerate its development, sustainability, as well as financial and operational independence. The nature, vision and services of AgriMES are entirely linked to BKB. The organisation is geared to provide specialist agricultural development services to the agricultural sector, with particular focus on designing and implementing projects to increase job opportunities and sustainable agricultural enterprises. BKB will be involved with AgriMES for the foreseeable future.



Length and strength testing done by the Wool Testing Bureau staff at the BKB wool handling facility in Port Elizabeth.

As part of its future vision, Farmwise Grains recognises that redistribution and transformation policies are necessary to ensure a stable, productive and prosperous agricultural sector.

In line with this vision, Farmwise Grains has committed to a policy that will ensure a significant contribution towards guaranteeing the effective transformation of the agricultural sector. Farmwise Grains is well aware of the social and economic challenges facing South Africans, and therefore considers it vital that none of its actions or activities would in any way threaten food security or contribute to unemployment rates in the communities where the organisation's policies are implemented.

### Education and empowerment of youth

Farmwise Grains contributes to the university faculties of AgriScience by offering black economic empowerment (BEE) candidates bursaries to pursue careers in the agricultural sector, with the intention of improving the pool of BEE candidates available to the sector. These include the Universities of Stellenbosch, Pretoria, Free State and Limpopo. Farmwise Grains further assists promising black students with studies at the University of South Africa (UNISA).



Minister of Agriculture, Forestry and Fisheries, Senzeni Zokwana, visiting farmers in KwaZulu-Natal.

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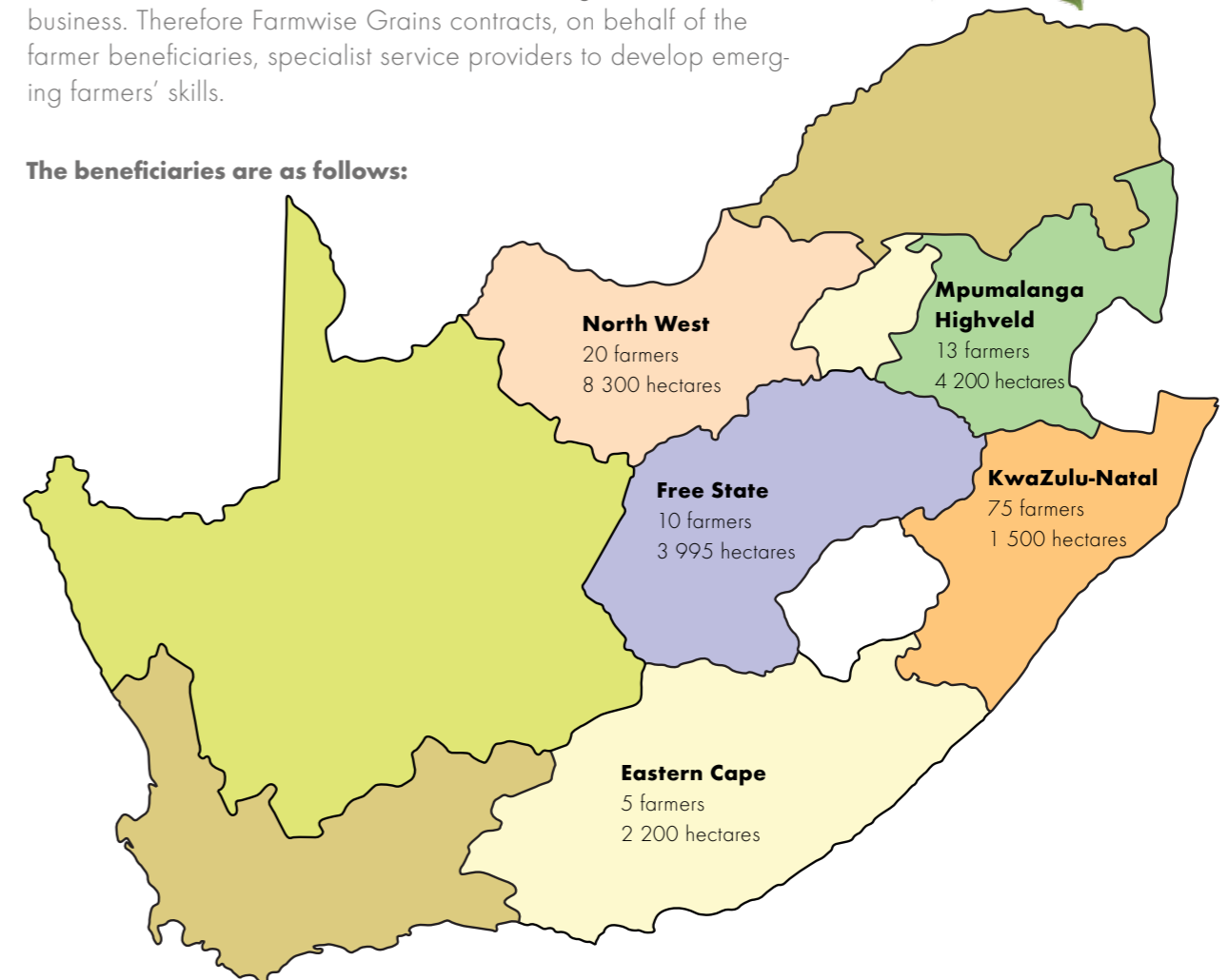
### Overview of Farmwise New-Business Development and AgriBEE

Farmwise Grains is an agricultural service supplier that offers price risk management and off-take solutions to farmers across the country. The organisation is committed to the principles of B-BBEE and has created a division to facilitate and promote the development of previously disadvantaged farmers across the full spectrum of the agricultural sector.

Price risk management and off-take solutions are Farmwise Grain's core business. However, in order to render the developmental impact that is required to effectively transform its target market from "developing" farmers into commercial farmers, requires the development of certain skills that do not fall within the organisation's core business. Therefore Farmwise Grains contracts, on behalf of the farmer beneficiaries, specialist service providers to develop emerging farmers' skills.



#### The beneficiaries are as follows:



” Farmwise Grains contracts, on behalf of the farmer beneficiaries, specialist service providers to develop emerging farmers' skills.



**KwaZulu-Natal Agriculture and Environmental Affairs MEC, Meshack Hadebe, visiting farmers in KwaZulu-Natal.**

**Farmwise provides the following direct services to the beneficiaries:**

- Market information
- Training on hedging products and price risk management
- Sales forecasting
- Yield estimates and risk surveys on an individual basis
- Off-take planning
- Customised on-farm commodity pricing solutions

**Indirect services provided to beneficiaries through the Farmwise New-Business Development and AgriBEE interface are:**

- Direct market access
- Producer forward-pricing on the JSE Commodity Derivatives Market
- On-farm purchase contracts
- Co-ordinating harvest contractors
- Custodial services for silo deliveries
- Reconciliation and payment of all handling and associated costs on behalf of the beneficiaries
- Payment of purchase proceeds directly to the nominated collection account



GWK, a public company with its head office in Douglas, focuses on adding value for partners in agriculture. GWK's success is directly related to the success of its shareholders – the producers who support GWK and produce and deliver agricultural products of outstanding quality.

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Sustainable farming feeds the people of our country. Therefore it is of the utmost importance for GWK to assist emerging farmers in establishing sustainable farming businesses.

More than 1 000 emerging farmers in the Northern Cape, North West and the Free State have been beneficiaries of training and projects where GWK is involved.

GWK's agriculturalists provide support based on soil analysis and fertiliser recommendations. GWK also looks after the needs of emerging livestock producers and the marketing of their animals through auctions.

**Grain Farmer Development Programme**

GWK creates a platform for accredited training programmes, such as the Grain Farmer



**Dawid and Norman Cornelissen, Dup Haarhof (GWK executive manager for precision farming and production research) and Hannes Hattingh (GWK agriculturalist) at an informal training session.**



## Success story

### Vaaldam farming and irrigation

Dawid and Norman Cornelissen of Vaaldam farming and irrigation are grateful for the assistance and services they have received from GWK. Norman puts it as follows: "The past season we harvested an average of 17 tonnes of maize per hectare and 8 tonnes of wheat per hectare. GWK plays a large role in our farming practice. The company provides us with financing as well as crop insurance. The agricultural services are also of great value to us. The GWK agriculturalist contacts us on a weekly basis and assists us with planning, fertilising and the control of pests and diseases. We will not be able to function at this level without the services GWK provides to us".

Development Programme. The company's specialists are involved in the presentation of the programme modules, which include farm management, farm finances and record keeping, marketing, farm practice and crop production. The programme is registered on the National Qualifications Framework (NQF) and the producers receive a certificate on completion of the training.

### Emerging farmers in the North West province

GWK launched a project for emerging farmers in the North West province. They become part of the programme for a

fixed term during which GWK provides its expertise to administer producer finances and assist on the farm. Each producer receives a monthly report on his financial position and his training in terms of financial planning.

GWK performs a managerial function, while on-farm decision-making is shared. A mentor is appointed to assist the producer with day-to-day tasks. GWK also handles the marketing of crops to ensure a steady income from their crop production. After the term, producers can decide whether they want to continue indepen-

dently or prefer to continue with the programme for an extended period. GWK's specialist support remains an option, should a producer decide to farm independently.

### Wheat mill, and biscuit and pasta plant in Modder River

GWK's wheat mill, and biscuit and pasta plant in Modder River will soon be in production. True Northern Cape products will be manufactured here.

"The main purpose of the development is to unlock more value for GWK's shareholders," says Eddie Ueckerman, executive manager of Westra, a subsidiary of GWK. "We produce all the raw materials to manufacture products for the end consumer." The right strategic partners in the market channel are identified and evaluated with care to ensure that optimal value is unlocked for GWK shareholders. The development also contributes to BEE by making BEE shares available. To ensure the best value, qualified and experienced BEE candidates have been appointed at the plant.

This development is a huge economic injection for the



**GWK appointed qualified and experienced BEE candidates at the Westra plant. Westra is a subsidiary of GWK.**

Northern Cape and has already made a large number of job opportunities available during the construction phase. Local individuals were employed as far as possible. The stages of completion of the plant, as well as the capacity of the plant, will determine how many people will be employed eventually.

According to Norman Shushu, MEC for Agriculture, Rural Development and Land Reform in the Northern Cape, the Northern Cape provincial government has established a good relationship with GWK over time, owing to the development work done by GWK, specifically in the agricultural sector. Developments such as the plant at Modder River are not only important for job creation and environmental development,

but also for the processing of local agricultural products and the consequent development of the agricultural industry in the

Northern Cape. This priority for the provincial government is aligned with GWK's development work.

**"I look forward to seeing consumer products from the Northern Cape on supermarket shelves throughout the country," says Norman Shushu, MEC for Agriculture, Rural Development and Land Reform in the Northern Cape.**



Kaap Agri supports emerging farmers through its participation in various enterprise development initiatives.

## Agricultural services

In 2005 Kaap Agri launched its Agricultural Services Department (ASD) to assist emerging farmers with growing their farming businesses and becoming commercial farmers. This initiative mainly focuses on the following critical needs that have been identified amongst these farmers:

- Reduced costs of production inputs.
- Advisory support on production and marketing.
- Linkages with organisations such as the Department of Agriculture, financial institutions and NGOs to address needs.
- Training and information days, apart from the Farmer Development Programme presented by the Kaap Agri Academy. The ASD sponsors and arranges for farmers to attend events organised by institutions such as the Land Bank, Making Markets Matter (University of Stellenbosch), Department of Agriculture and agribusinesses such as the RPO, BKB and Grain SA.
- Assistance with gaining access to markets.

- Assistance with applications for funding.

## Kaap Agri Academy

The Kaap Agri Academy in Porterville, which was established in 2008, has a development programme for emerging farmers. This course is accredited with the AgriSETA and is attended annually by about 25 emerging farmers who are carefully selected from more than 100 applications. To date, the course has been attended by 144 students, and a further 22 students enrolled in 2015.

All the individuals who attend this course have access to land and are already involved in farming. Up to now, the majority of students were from the Western Cape and Northern Cape. The content of the programme, which is presented by BathoPele, consists of sessions that are attended during the course of one year. The programme consists of two sections, namely business practice and farming practice.

The course is at NQF Level 2 and the first section consists



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of general business management, financial management, personnel management and management principles, and includes a separate module on electricity. The second section consists of two practical sessions on livestock farming and crop cultivation.

Anthony Cloete, the best student of the class of 2009, also won the AgriSETA's Student of the Year award, and the top students in the following three years were finalists for this award.

## Farmworker training

In 2010, the Kaap Agri Academy became involved in farm worker training. The courses and the training providers are accredited at AgriSETA. Amongst the courses presented are: tractor maintenance, first-aid, spray-pump operating, supervision, handling of chemicals, welding, fork-lift truck operating, orchard monitoring, as well as health and safety representation. Amongst the new courses are fire-fighting, safety on farms, operating of a ditcher, truck crane and tip truck.

The Academy presents courses on request and many of the farm worker courses are presented on a satellite basis at Kaap Agri's various business points. Since 2010, almost 3 000 farm workers have been trained.

## Fruit Workers Development Trust

In 2009, Kaap Agri made a R2 million interest-free loan available to the Fruit Workers Development Trust (FWDT) for enterprise development. In addition, shares were made

## Success story

### Martin van Rooi

Martin van Rooi is a sole-proprietor who farms in the Northern Cape. His main farming activity is table and wine grapes. He also keeps a small number of sheep and goats.

Van Rooi was a gardener on a farm when he decided to realise his dream of becoming an independent farmer. His employer and mentor, Gawie Steyn, saw his potential and they both approached Kaap Agri in 2010 for a production loan. Kaap Agri, through its Academy, further supported Van Rooi by giving him the opportunity to enroll in the Farmer Development Programme during 2012. He successfully completed the course and received the Top Achiever award. The provincial Department of Agriculture provided him with farming equipment (tractor and implements) in 2013.

Van Rooi started off his farming business by employing three full-time workers. This number has since increased to 12. During the 2014/15 harvesting season, he hired 150 casual employees and will be using 30 casual workers for pruning.

In 2015, Van Rooi produced 276 tonnes Colombar on 4,3 hectares, i.e. 61 tonnes/ha (industry average was 50 tonnes/ha), and 130 tonnes of raisins on 2,3 hectares, i.e. 56,52 tonnes/ha (industry average was 40 tonnes/ha). He is selling his raisins to South African Dried fruit (SAD) and his wine grapes to the Orange River Cellars.

This is an example of an emerging farmer who had the potential to develop into a successful commercial farmer. Access to land, low-cost crop insurance and cheap production capital made it possible for him to achieve this goal.

### Emerging farmer, Martin van Rooi, farms table and wine grapes and keeps a small number of sheep and goats.





available to enable the trust to acquire equity shares in Kaap Agri.

FWDT is a 100% broad-based black ownership scheme as defined in the B-BBEE Codes of Good Practice. It was set up by Hortgro, a recognised statutory body that represents the deciduous fruit industry throughout South Africa. The objective of FWDT is to make profitable investments and to distribute benefits to beneficiaries.

FWDT uses the funds raised for investments that provide preferential terms for broad-based black economic empowerment groupings. Investments to date include Naspers (Welkom Yizani and

**Most emerging farmers compete on an unequal basis with the commercial farming sector for production inputs, services and markets. A major challenge for the emerging farmer sector is the low level of education and the lack of skills. Matters are compounded by the lack of access to and information about markets, the lack of trading skills, the lack of networks, inadequate infrastructure, access to finance and inadequate extension service delivery.**

## Success story

### Siyazama Klipland Boerdery

Siyazama Klipland Boerdery, located within the Breede River municipality area in the Western Cape, is mainly a table grape farm with a small vineyard. Twenty-four hectares are under table grapes and five hectares under wine grapes. This enterprise was formed by seven historically disadvantaged people who gained access to government land in the De Doorns district in the Western Cape province.

During 2010, the directors of Siyazama approached Kaap Agri for a production loan, since the commercial banks and the Land Bank were not prepared to provide finance due to the lack of collateral. Kaap Agri provided the group with two production loans for table grape production and also negotiated discounted prices for their packaging material.

Two members of the company attended the Farmer Development Programme of the Kaap Agri Academy, which they believe played a major part in their development. The group's first grade table grapes are exported to Europe and the East, while the second grade table grapes are sold either to brokers or to the De Doorns Wine Cellar. The wine grapes are delivered to the De Doorns Wine Cellar.

Siyazama is currently employing 30 permanent employees, 60 temporary employees during harvesting and packing season and 30 temporary employees during the pre- and post-harvest periods for suckering and pruning. The group has proven that they can produce a quality product. However, to be more successful, they need access to more affordable finance, since they are currently replacing 10 hectares of the vines that were destroyed during the violent farmworker strike in De Doorns during 2012.

## Success story

### Genadeshoop CC

Stefanus Richter, a farmer in the Piketberg district in the Western Cape, provided five farm workers with the opportunity to work their own land. In 2009, Whernit Dirks and his four partners (father, grandfather and two brothers) established the Genadeshoop CC.

The project was initiated on 170 hectares of which 100 hectares were planted. After three successful years of production, they purchased an additional farm of 450 hectares. Today the members have access to 1 060 hectares, including 600 hectares that they lease from Richter, who is also their mentor.

Kaap Agri assisted the project with two production loans and one livestock loan, as well as access to the organisation's support services such as technical advice, marketing and financial planning advice. Six members of the close corporation have attended the Farmer Development Programme of the Kaap Agri Academy, which played a major role in their skills development.

Genadeshoop CC is a mixed farming enterprise with wheat, sheep and cattle. This close corporation markets its livestock by means of auctions and through abattoirs. It has formal markets for produce, which is mainly delivered to Kaap Agri's silos.

Profits generated by the close corporation are reinvested in machinery, thereby reducing their input costs and dependence.

Genadeshoop CC positively contributes towards the community by creating job opportunities for part-time and seasonal workers during harvesting and planting time, as well as for sheep shearers.

Phuthuma Nathi), Asonge MTN, Sasol Inzalo, Vodacom Yebo Yethu, Kaap Agri Bedryf, Kaap Agri Voedsel, Riparian Investments Consortium, Pioneer Foods and Quantum Foods. The FWDT is also a beneficiary of the United Farmers Fund Trust (UFFT).

The investment portfolio has performed very well and the net asset value of FWDT has grown from R348 000 in March 2008 to around R18 million in March 2015, of which Kaap Agri shares comprised more than R3 million. Regular distributions are made depending on the performance of investments.



**FWDT is a 100% broad-based black ownership scheme as defined in the B-BBEE Codes of Good Practice.**



KLK Landbou Limited is a diversified agricultural company providing products and services to farmers, mainly in the Northern Cape. KLK is a public company with approximately 2 100 shareholders.

KLK recognises its important role as responsible corporate citizen and that sustainability is not only measured in financial performance. The company applies sustainability in a structured manner in terms of three pillars, namely financial, social and environmental practices.

Corporate social responsibility is a philosophy that KLK pursues by supporting the projects mentioned below.

### Training and development project for emerging meat producers in the Northern Cape

#### Project to establish emerging meat producers on farms

KLK was approached by the Northern Cape Department of Rural Development and Land Reform (DRDLR) to act as strategic partner and mentor for projects to establish emerging

farmers. KLK became involved in various projects as part of its social responsibility programme.

Since March 2011 KLK has been involved in the following four projects:

- Eden Island Trading on the farm Duinplaas, close to Vanzylsrus, with two beneficiaries
- Great Reed, close to Kenhardt, with one beneficiary
- Sas farming on the farm Blomberg, close to Fire Marsh, with three female beneficiaries
- Gamahoodi Small Farmers Women's Association, close to Kuruman, with 13 female beneficiaries

KLK's role was to visit each site and do a basic needs assessment. Detailed business plans were prepared, including the capital needs for the project, the cash flow budget for five



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years and the most appropriate business model. The main objective was sustainability. All the projects were launched after the business plans were approved by the Northern Cape DRDLR.

During the second year, the focus was on farm management, human resource management, financial management, record keeping, animal physiology, animal nutrition and reproduction.

All the beneficiaries are exposed to the full training programme and are empowered to survive in modern farming conditions. Their training courses are funded by AgriSETA and the BathoPele Training Centre in Bloemfontein.

A visit to each farm every four to six weeks ensures that the necessary advice and assistance on production processes and marketing are continuously offered.

” All the beneficiaries are exposed to the full training programme and are empowered to survive in modern farming conditions. Their training courses are funded by AgriSETA and the BathoPele Training Centre in Bloemfontein.

### Assistance to emerging farmers

KLK also provides assistance, guidance and training to emerging farmers who are not part of the above recapitalisation projects. It plays a major role in the annual lamb and goat carcass competition held at Mier in the northwestern corner of its service area.

The Mier community consists of independent emerging farmers who have come a long way from subsistence farming to commercial farming. KLK annually hosts and organises the carcass competition in the form of an open day in the Mier

community. The competition is attended by representatives of the SA Meat Industry Company (SAMIC), the Red Meat Producers' Organisation (RPO) and buyers of skins and meat products.

Due to year-round inputs from KLK, the Mier carcass competition has improved steadily and won the national prize for the best competition for emerging farmers, for seven consecutive years. For the last three years, the national champion carcass and group of carcasses for lamb and goat have come from Mier. Last year a farmer of Mier



Group of beneficiaries who attended a farm management course hosted jointly by KLK and BathoPele Training Centre in Bloemfontein.



**Ramskop Abattoir, Calvinia**

won the national commercial championship for goats. It would not have been possible if it weren't for KLK's training programme in proper selection of animals and mentorship in farming methods.

**Ramskop abattoir**

The shareholding in Ramskop abattoir was restructured in a joint initiative of KLK, the Northern Cape DRDLR and commercial producers from the community.

Ramskop abattoir previously belonged to Ramskop (Pty) Ltd, of which KLK was the sole owner,

until the DDLR in the Northern Cape contributed financially for upgrading in exchange for shares in the company. DRDLR made shares available to emerging producers in Nieuwoudtville, Loeriesfontein, Brandvlei and Calvinia, as well as a workers' trust, representing abattoir workers.

KLK reserves the controlling share in Ramskop (Pty) Ltd. The upgraded Ramskop Abattoir is now approved to slaughter 600 animals per day; previously only 250 animals could be slaughtered daily.

**Technical skills development**

In 2012, KLK invested R250 000 in the development of a technical skills workshop facility in co-operation with Palms-Groblershoop, also part of Amos Agri Ministries. The training facility will give students the opportunity to qualify in the technical field of welding, electricity, solar energy systems and life skills. The technical skills workshop facility opened on 9 October 2013 at the Palms GF4GF Centre, Groblershoop.



Producing enough food for the rapidly growing global population is one of the greatest challenges facing humankind. Monsanto focuses on providing the necessary technologies, tools and information that empower farmers globally to produce enough food to feed a world population of more than 9 billion people by 2050.

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Through its commitment to sustainable agriculture, Monsanto pledges to help farmers double their yields in core crops (maize, soya beans, canola and cotton) by 2030 while committing to produce each tonne with one-third fewer resources (land, water and energy). With this commitment in mind, Monsanto focuses on helping farmers to maximise yields and manage their risks through high-quality seed and crop protection products.

As part of this commitment to farmer customers, Monsanto is involved in various projects with selected partners in South Africa.

**Africa Bio**

Monsanto sponsors seed and crop protection chemicals to Africa Bio to conduct genetically modified (GM) field trials for small-scale farmers in Gauteng and Limpopo. The aim of this ongoing annual initiative is to expose small-scale farmers to the benefits

of agricultural biotech products. Monsanto has been supporting this initiative since 2013.

In 2015, Africa Bio initiated a training campaign for small-scale farmers on the principles of conservation agriculture. Cultivar trials were planted in Gauteng and Limpopo to teach them the benefits of practicing conservation agriculture. Monsanto sponsored the inputs for this initiative.

**MASDT**

The Mobile Agricultural Skills Development and Training (MASDT) was established in 2005 as a training service provider in the agriculture





sector. Monsanto has sponsored the seed and crop protection chemicals for a MASDT-facilitated food crop production project for small-scale farmers in Limpopo and Mpumalanga. This project runs concurrently with a British American Tobacco (BAT) project, which aims to improve the business and agricultural skills of over 100 small-scale farmers across Limpopo and Mpumalanga. The following issues are addressed: employment creation, poverty alleviation and economic empowerment for the farmers and communities involved. Monsanto has been supporting this project since 2013.

### United States Department of Agriculture (USDA)

Monsanto sponsored return flight tickets of six small-scale farmers to attend the 2014 Cochran Biotechnology Fellowship Programme in Missouri, USA. The purpose of the programme is to expose emerging South African grain farmers to technologies and agricultural practices that will enable them to develop into commercial farmers. Each of these farmers has a significant level of influence in the community, which would ensure that the information and technological exposure they have received would be disseminated effectively. Through Africa Bio's facilitation, Monsanto also sponsored the seed and crop protection chemicals for the alumni of this Cochran Fellowship Programme.

### External bursaries

In 2014, Monsanto made financial contributions to six previ-

ously disadvantaged students to pursue university studies in agriculture-related studies in order to strengthen South Africa's talent pool of agricultural professionals.

### Grain South Africa

Through Monsanto's invaluable partnership with Grain SA (GSA), a number of enterprise development opportunities have been supported:

- **GSA Farmer Development Programme**

Monsanto invests in the Farmer Development Programme (FDP) of GSA, which is aimed at developing sustainable black farmers, including black commercial farmers. The benefits for participants include: training through study group meetings, demonstration

trials, farmers' days, farmer of the year competition, individual on-farm support, training courses and a monthly newsletter.

In 2013, Monsanto gave farmers participating in the North West province recapitalisation programme significant discounts on seed sales. The farmers were all members of the study groups under the GSA Farmer Development Programme in the North West province. Close to 30 farmers received discounts on high-quality biotech seed that they would otherwise not be able to afford.

- **GSA Subsistence Farmer of the Year**

In 2013, Monsanto donated a hammer mill to the GSA



**Kobus Steenkamp, Business Lead Monsanto SA, handing over the micro mill to Nto Mdluli in KwaZulu-Natal. Monsanto hopes that the micro mill will help the community to cut down on transport costs incurred when they have their maize milled in town. Mdluli will offer a milling service to her neighbouring farmers while spending more time on improving her own farming operations, teaching fellow farmers how to plant biotech maize and improving her own skills through the GSA Farmer Development Programme.**

Subsistence Farmer of the Year, Nto Mdluli. Since receiving the hammer mill, Mdluli doesn't have to travel to town by taxi to have her heavy bags of grain milled. Being able to mill her maize on the farm provides her with more time for improving her farming operations and for teaching fellow farmers how to plant maize. She also offers a milling service to neighbouring farmers.

- **GSA Developing Small Farmer of the Year**

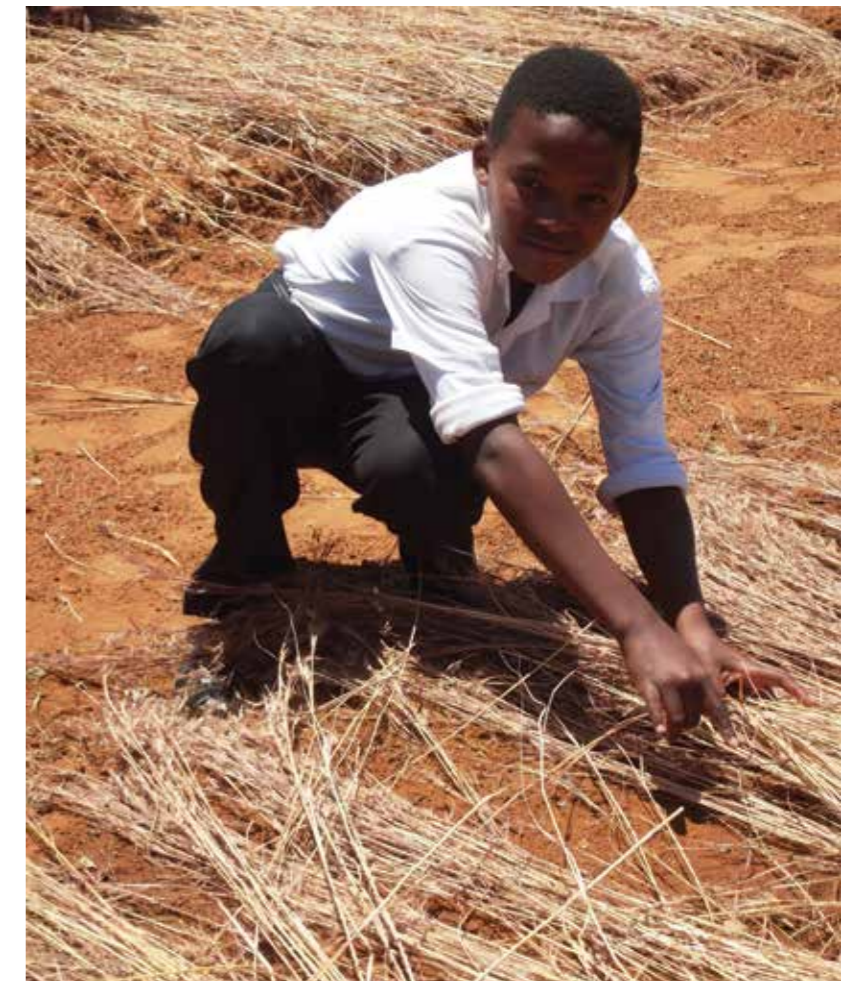
Monsanto provided Victor Mahlinza, GSA Developing Small Farmer of the Year, with 1 000 litres of diesel to power his farm machinery, thus ensuring a harvest to sell.

### Grain Farmer Development Agency (GFADA)

Since 2014, Monsanto has made an annual membership contribution to GFADA to promote and advance the development and establishment of grain farmers from previously disadvantaged backgrounds. In 2014, Monsanto provided an additional sponsorship to GFADA to bring a group of their emerging commercial farmers from previously disadvantaged backgrounds to the annual general meeting where issues of sustainable production and enterprise development were addressed.

### INMED Partnerships for Children

With support from the Monsanto Fund, the South African Adaptive Agriculture Programme (AAP) of INMED Partnerships for Children is transforming livelihoods and creating opportunities in poor farming



**Monsanto assisted INMED to establish a vegetable garden at the Repholositswe Secondary School in Bultfontein, Free State. The garden provides nutritious fresh produce to supplement school meals. The project delivers focused training with regard to technical aspects, business planning and entrepreneurship to at-risk youths in the learner environmental clubs and who voluntarily participate in running the vegetable gardens. They are also shown how to use mulching to conserve water.**



**” Monsanto invests in the Farmer Development Programme (FDP) of GSA, which is aimed at developing sustainable black farmers, including black commercial farmers.**

communities in the rural Free State. In this area many small farmers lack the skills, resources and access to water that would allow them to rise above subsistence levels of production. The programme motivates young people to view agriculture as a viable career and as a vehicle to create economic opportunities in their impoverished communities.

” **With support from the Monsanto Fund, the South African Adaptive Agriculture Programme (AAP) of INMED Partnerships for Children is transforming livelihoods and creating opportunities in poor farming communities in the rural Free State.**

**Projects covered by the organisation include the following:**

- Aquaponics system operated by a disabled group.
- Inputs and training to increase intensive cultivation by a smallholder farming family. The ripening tomato crop on the Itshokolele farm promises to be one of the best harvests to date, guaranteeing income to feed the extended family, pay their children’s school fees, and buy enough seeds to plant an even bigger field the following season.
- Establishment of two small school gardens that provide nutritious fresh produce to supplement school meals at Rainbow Secondary School and Repholositswe Secondary School. The project delivers focused training with regard to technical aspects, business planning and entrepreneurship to at-risk youth. Through the garden project, these youths are shielded from the effects of poverty and gangsterism.

**Lisise Farming**

Farmers’ days hosted by Lisise Farming reaches over 500 farmers a year. These days are supported by personnel as well as the technical expertise of extension officers from the Department of Agriculture. In 2014, Monsanto offered significant discounts on seed purchases to Lisise Farming.

**Buhle Farmers’ Academy**

This institution addresses the need for development, training and capacity building, specifically in the primary agricultural and rural development sectors. Monsanto’s financial contribution assists with effective skills training and support so that farmers can establish themselves as viable farming businesses. Between 2013 and 2014, Buhle Farmers’ Academy trained over 400 farmers. Over 50% of the students have become actively involved in farming since graduating.



Mutual & Federal, the oldest short-term insurer in South Africa, believes that real transformation is necessary to sustain business growth and is in the best interest of all South Africans.



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Mutual & Federal has a proud history of working within communities to promote and develop agricultural sustainability. Current initiatives include the following:

**Tswelopele farming project**

Mutual & Federal has been supporting the establishment of a new community farming project at Bekker School, near Magaliesberg in Gauteng. The project generates employment and the development of self-



**Middeldrift dairy farm began in 2008. It is already self-sustaining and also involves a large amount of skills transfer and capacity building.**

sustaining farming enterprises, benefiting 55 households, or approximately 250 people. They grow vegetables and rear poultry, the excess of which can be sold to the school and wider community.

### Dipping tanks

Mutual & Federal assists emerging farmers in rural areas with livestock handling and dipping infrastructure to provide appropriate primary animal health care to their livestock.

## Success story

### Amadlelo Agri

Mutual & Federal funded Amadlelo Agri to assist with improving the livelihood of the communities and to help create sustainable socio-economic development within the area. Amadlelo Agri was established in 2004 by 70 commercial dairy farmers in the Eastern Cape and KwaZulu-Natal to address the transformation of agribusiness in South Africa through the training and mentoring of black farmers and by entering into long-term partnerships.

#### Currently the enterprise comprises the following:

- Six projects where 6 000 cows are milked
- Increased processing capacity by 450 000 litres per day in the Eastern Cape
- 120 student farmers trained through the project
- 514 people employed with R16 million wages and salaries per annum
- Supply milk to formal markets
- Three farm managers owning a significant number of cows
- Capacitated communities as trustees and shareholders

Aerial photo of the Keiskamma irrigation scheme under the Amadlelo Agri project.



NWK Limited is an established and reputable agricultural business that boasts more than 100 years' experience in the dynamic South African market environment. As a leading provider of agricultural services and inputs, primarily in the North West province, NWK focuses on forging long-term relationships with its customers.

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#### NWK development unit

NWK started a development unit in 2003/2004 to assist in the commercialising of developing farmers. The service package being rendered to developing farmers includes production loans, technical support and training. Farmers who can benefit from these services are those who are already farming. These farmers should have healthy financial records, access to productive land and sound machinery. They are screened for a production loan and when approved, they are absorbed into the project. It is expected that approved farmers implement good agricultural practices and comply with the NWK lending contract.

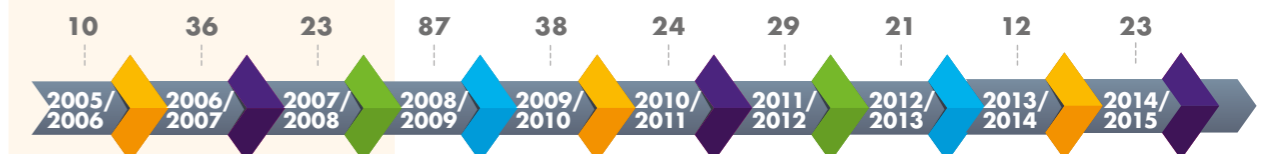
Farmers are expected to deliver their grain at NWK silos.

Throughout the season, grain traders render free marketing services to ensure that they make the best trading decisions on whether to sell their grain during or after harvest.

Technical support enables farmers to produce a large enough crop to repay their loans and make a profit. Since its inception, the project has assisted farmers with production loans for 10 seasons. The technical support given is not limited to financed farmers; even farmers who are not financed by NWK receive free technical support.

Currently, participants are mainly concentrated in Ngaka Modiri-Molema District Municipality in the North West province.

#### Numbers of developing farmers who have received financial assistance from NWK to date:





Farmers' day held for developing farmers by NWK Ltd.

### Farmer development

It is common knowledge that developing agriculture is faced with challenges that cannot be overcome by a singular approach. This has led to the formation of a Farmer Development team that includes companies such as Omnia, Pannar, Agricol, Laeveld Agrochem, Santam Agri and relevant government departments such as READ, DRDLR as well as Grain SA. Through this partnership, deserving farmers are being placed on government farms on a lease basis.

Farmers are being exposed to both formal and informal training in partnership with AgriSETA and accredited service providers on an ongoing basis. Information sessions and farmers' days are being arranged to equip

farmers. Technical support is not limited to crop only, but includes enterprises such as cattle, sheep and pig farming. Efforts are being made to narrow the gap between commercial farmers and developing farmers by promoting mentorship.

### Benefits

Through this project, farmers have an income to cater for their family needs. They can also offer employment to the community, because they will need farm workers or tractor drivers. This helps to improve the lives of these workers who can now also afford

to support their families. Reducing unemployment also contributes to fighting criminal activities, which are mostly driven by unemployment. When farming on communal land, it is common practice that, after the harvest, communities have access to the residue which provides grazing material for their animals.

It would be money well spent to have farmers owning their own farms and the ability to farm profitably. Diversification is the ideal form of farming and potential investors are being sought to achieve this goal.

**” Efforts are being made to narrow the gap between commercial farmers and developing farmers by promoting mentorship.**



Overberg Agri is committed to support the development of businesses to facilitate transformation in the agricultural sector. New farmers who enter this sector are assisted so that they become and remain sustainable in the commercial agriculture value chain. Apart from assisting these businesses through specific enterprise development initiatives, Overberg Agri also provides support in terms of extension services and competitive financing options to facilitate growth and profitability.

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Overberg Agri has been involved in numerous successful ventures in its region, which

contribute to the sustainability of rural areas and agriculture as an industry.

### Success story

#### Ralph Swart Boerdery CC

Ralph Swart is a well-known and established farmer in the Elim area in the Western Cape. He has shown great foresight in diversifying his farming operations and has well-developed commercial farming practices. Swart owns two farms, Spanjaardskloof (89 hectares) and Grootdam (945 hectares), and leases an additional 1 280 hectares from a local church. He mostly focuses on the cultivation of wheat, barley and some other cash-crops. He has a flock of 1 800 Dohne-Merino ewes and a herd of 140 Bonsmara cattle.

Ralph Swart received numerous awards in 2014, which include the Absa/Grain SA New Era Commercial Farmer of the Year; Pick & Pay award for the most progress in the last decade; Agricultural Writers SA's New Entrant to Commercial Farming Western Cape and Agricultural Writers SA's New Entrant to Commercial Farming National.

Overberg Agri donated a windrower trailer and baler to the Ralph Swart Boerdery CC. These implements have increased productivity and contributed to the creation of more job opportunities in the area. The Swart family currently employs four households permanently and uses casual labour during the peak seasons.

## Success stories

### Matthion Enterprises CC

André Cloete farms with deciduous fruit, wheat, lucerne and an SA Merino flock on the farm Klein Ezeljacht in the Overberg region of the Western Cape. The farm is leased from the government, and comprises 871 hectares of which 262 hectares are cultivated land and 32 hectares are under deciduous fruit. He runs a merino flock of 1 000 animals and 60 head of cattle. Cloete intends to acquire additional land to expand his farming operations.

Cloete started farming with two permanent workers and four casual workers, which has now increased to 12 permanent and 17 temporary workers. He strongly focuses on developing the skills of his employees.

In 2013 he was nominated New Entrant to Commercial Agriculture by the Landbouweekblad.

Overberg Agri provided Cloete with two tractors, a motorbike, a 4-tonne trailer, a mulcher and a hydraulic grader, all of which enabled him to increase his productivity.



**De Wet Human (Overberg Agri), André Cloete (Matthion Enterprises CC), Victor Treu (Overberg Agri) and Francis Dixon (Overberg Agri).**

### Bonnievale Workers Empowerment Trust

The Bonnievale Workers Empowerment Trust was established in 2008 for previously disadvantaged employees. The beneficiaries of the trust consist of the cellar's 25 employees, four farm workers and one farm manager, who is also a trustee. The nearby community indirectly benefits from the project in that part-time employment is provided during harvesting season. Ongoing training in management and business development skills is provided to the beneficiaries.

In 2011, a vineyard of 9,5 hectares was established and by 2015 the trust harvested 203 tonnes of grapes. The Trust aims at expanding the vineyards and increasing the harvesting target to between 700 and 800 tonnes per year.

The cash donation made by Overberg Agri went a long way towards procuring much-needed farming equipment.



**Grové Kriel (Overberg Agri), Agnes Opperman (Bonnievale Workers Empowerment Trust), Eric Many (Bonnievale Workers Empowerment Trust) and Sakkie Bosman (Bonnievale Wine Cellar).**



Oos Vrystaat Kaap Operations Limited (OVK), with its head office in Ladybrand in the Free State, makes a valuable contribution to the economy of South Africa, particularly in the Free State, Eastern Cape and Northern Cape. OVK conducts its business in a high-potential and diversified agricultural region.

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OVK partnered with AgriSETA and BathoPele to develop emerging farmers in accordance with the company BEE Development programme.

OVK, together with the local LandCare offices and Grain SA, identified 20 emerging farmers for focused enterprise development. These farmers

**” OVK, together with the local LandCare offices and Grain SA, identified 20 emerging farmers for focused enterprise development. These farmers received training in a six-month programme after which they all graduated.**



received training in a six-month programme after which they all graduated. This farmer training development programme was funded by OVK and its training partner, BathoPele.

BathoPele director, Ernest Beck, said the partnership between his company and OVK had ensured that budding farmers in the country's most remote areas, such as the former Transkei, were trained in cutting-edge modern farming practices.

In 2014 OVK launched an advanced livestock programme for farmers. The project plan consists of the following:

- Farm infrastructure
- Animal nutrition
- Fattening livestock
- Animal health
- Animal reproduction
- Animal husbandry



## Success stories

### Bradley Buckland

Bradley Buckland attended the Farmer Development Programme in Jagersfontein along with 19 other farmers from the region, where he distinguished himself as a leader. His background is in engineering, and he started out as an emerging farmer at Rooikrans. He currently farms with 319 sheep and 70 head of cattle, and he has surrounded himself with commercial farmers in the region in order to make a success of his farming enterprise. He was named the Top Performer in the OVK/BathoPele Farmer Development Programme for 2014, and as such was also nominated by OVK as a candidate for the 2015 AgriSETA awards.

In the short amount of time he has been farming, Buckland has shown tremendous growth, and with OVK's ongoing support, he is sure to become one of the most successful emerging farmers in the region.

### Linda March

Linda March underwent training as part of the Farmer Development Programme in Fauresmith, where she emerged as a leader and was also named the Top Performer in this programme. Her enthusiasm and her dedication to farming have played a major role in her success, and with her fresh approach to farming she also managed to catch the eye of the Provincial Department of Agriculture. She proved eager to learn from the programme and she easily shared her knowledge with other trainees, going out of her way especially to assist the Moabis (ostrich farmers in Koffiefontein). She is closely involved in social projects within her community.

In 2013, March was nominated by OVK and BathoPele to compete with other South African farmers in the National AgriSETA Competition, and following the evaluation of her farming enterprise, she was named the national winner of the AgriSETA competition in skills programmes at the awards ceremony in Johannesburg. Her success did not end there, however, and on 26 March 2015 the Department of Agriculture hosted a National Ostrich Day on her farm. She is also currently in the process of being evaluated once again by AgriSETA.

**Linda March, ostrich and cattle farmer in the Koffiefontein district, proved eager to learn and she easily shares her knowledge with other trainees, especially to assist the ostrich farmers.**



The RSA Group is a leading market agency in South Africa. It was founded in 1974 and its 695 employees are handling around 601 889 330 kg of fresh produce annually.



### COMPANY PROFILE: RSA Group

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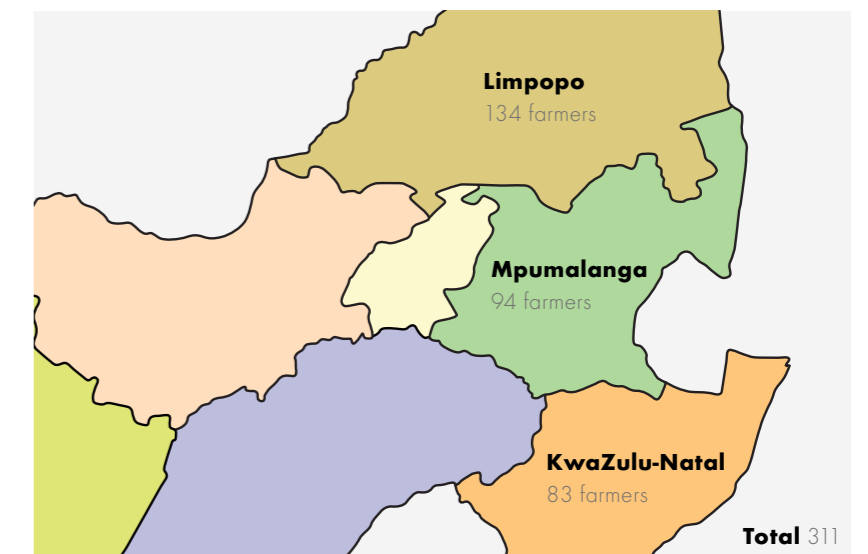
Since 2007 the group has been involved in an innovative emerging farmer's project, aimed at empowering small-scale farmers with the knowledge of how to market their produce effectively. With support from ICCO, RSA aims to expand the project and continue to grow the volume base of emerging farmers by 12% per year.

RSA addresses the key challenges facing smallholder

farmers, such as access to fresh produce commodity markets as well as institutional and technical support, in order to ensure that their farms become viable. Currently, the group is working with around 700 farmers in the North West, KwaZulu-Natal, Mpumalanga and Limpopo.

RSA's aim is to assist with vital expertise such as technical, financial and business management skills, development

### RSA is currently training 311 farmers at the Durban, Johannesburg and Mooketsi Markets.





**Young emerging farmers visiting the RSA Group's facilities at the Johannesburg Fresh Produce Market are given the opportunity to experience the various market activities, meet the sales people and learn about volume, quality and price forming.**



**These emerging farmers from Mpumalanga are eager to understand the principles of market systems.**

strategies, adequate packaging and labelling knowledge, and most importantly, access to information and markets.

The plan is to focus more intensively on the following: farmers' workshops and farm visits, selling of fresh produce on municipal markets, improving the transport network and delivery points, growing the number of farmers and enabling the growth of small farmers through sustained support.

Ultimately, one of the objectives is to increase the sales on municipal markets and for the profits to flow back to the emerging farmers in order to make their businesses viable and sustainable.

### One-day workshops

Workshops at RSA's premises are divided into two sessions: a guided tour to the fresh produce market and a presentation that covers the principles of market systems.

The visit to the market provides farmers with the opportunity to experience the various market activities, meet the sales people and learn about volume, quality and price forming.

The presentation on market systems covers the following:

- How does the market operate?
- How do I determine what to send to the market?
- Why is quality crucial?

- Why is a trust relationship with your market agent so important?
- What are good agricultural practices (GAP)?

The training session entails field visits from the group's extension officer before and after the workshops.

The RSA Group is a member of the Institute of Market Agents of SA (IMASA).



Senwes is one of the leading agribusiness companies in South Africa with its roots planted firmly in Klerksdorp in the North West province of South Africa. For the past 105 years it has built a proud history of servicing the agricultural sector.



### COMPANY PROFILE: Senwes Ltd

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The company is committed to make a positive contribution to the advancement and development of developing farmers who demonstrate commitment and integrity, and have the aspiration to become fully-fledged commercial producers within a reasonable space of time (five years).

Since 2002, Senwes has been intensively involved in various black economic empowerment (BEE) initiatives at various levels within the company's traditional area of operation. As responsible corporate citizen and a level 8 contributor to BEE, socio-economic uplifting of previously disadvantaged groups forms an integral part of its operational activities.

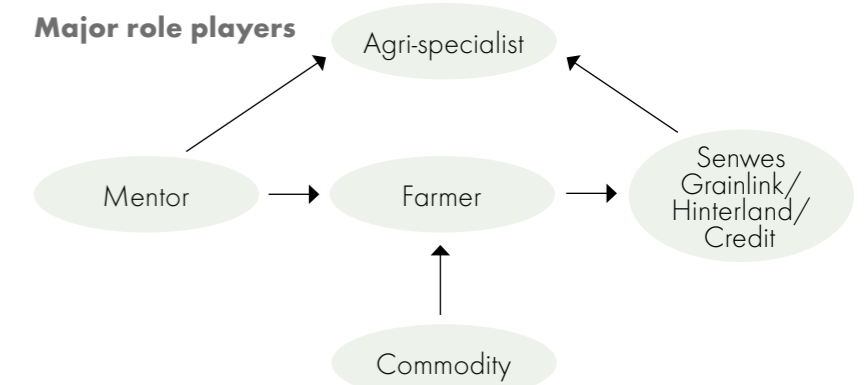
The objectives contained in the national sectoral plan for agriculture, namely equal access and participation, sustainable utilisation of natural resources, as well as increased competitiveness and profitability, are pursued on a constant basis.

As part of entrepreneurial development, Senwes has offered direct technical and/or financial support to approximately 40 emerging farmers.

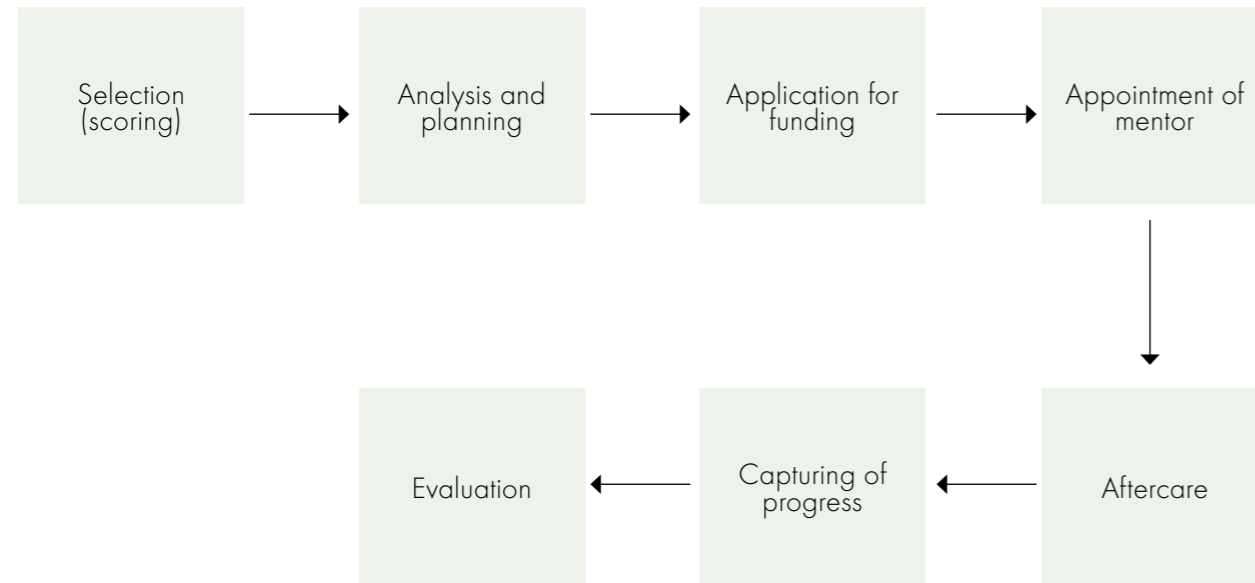
Typical support being offered to farmers is as follows:

- Resource evaluation and planning
- Preparation and implementation of production plans
- Due diligence analyses

### The model



## The process



- Production credit
- Input and market access
- Mentorship facilitation
- Facilitate training requirements
- Communication of technical and operational information by means of information days and articles.

Senwes negotiates funding on behalf of the farmers at the relevant industry organisations such as the Grain Farmer Development Association (GFADA). Such funding is utilised to improve the physical production status of the resource (soil) and to subsidise input costs for a specific season.

As far as it is known, Senwes was the agent involved in the design and facilitation of the first share-based BEE transaction

between a commercial farmer and some of his farm labourers in the Free State. A similar transaction was concluded in the North West.

### Basic principles applied:

- To provide support to farming units that have the potential to be viable and sustainable.
- The aim is to establish a mutually beneficial long-term business relationship based on mutual respect, integrity, willingness and commitment.
- The farmer has to conduct business (purchase of production inputs and marketing of grain) with SENWES.
- The model is predominantly based on the "one farmer, one farm" approach.
- Skills transfer is based on practical assistance through

the "learning by doing" principle and mentoring.

- Capacity building is based on the "continuous improvement" principle through mentoring. This method entails the identification and addressing of specific areas of improvement within a specific time frame.
- Technical and financial support is based on comprehensive analyses of resources, competency and feasibility – a multidisciplinary approach.
- Follow a hands-on approach in terms of monitoring progress and mitigating risk through constant feedback from specialists to management.
- Thorough planning before implementation.
- Follow a consultative/buy-in approach.
- Constant communication/feedback.
- Inexperienced agriculturists undergo a coaching period mentored by a senior agriculturist for a period of at least two years.

**” As part of entrepreneurial development, Senwes has offered direct technical and/or financial support to approximately 40 emerging farmers.**



Sigma's vision is to be the change; to make a significant difference in the businesses of their clients and the lives of South Africans. Sigma's promise is to be the change they want to see in our country and to help clients do the same.

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### Sigma Academy

One of the avenues that Sigma uses to achieve this goal is the Sigma Academy that was established in January 2013. Sigma Academy is a majority black-owned training organisation that delivers targeted skills development and learning programmes aligned to the requirements of the Broad-Based Black Economic (BEE) Codes of Good Practice.

Sigma Academy is also a category A enterprise development (ED) beneficiary that uses the funds donated by clients, such as agribusiness partners, to uplift previously disadvantaged individuals by entering them into

fully accredited NQF learning programmes. In this way they assist them with starting their own businesses and/or becoming more attractive to the employment industry.

Sigma Academy has grown to include training facilities in Randburg, Pretoria, Bellville, Wellington, Worcester, Hermanus and Durban. Learners' lives are changed as far as Hermanus and Upington. By 2015 the Academy had enrolled over 600 learners in various training programmes, of which the majority is disabled.

The efforts of Sigma Academy were rewarded with a Stars of Africa Silver Award from the







Group of students who attended the Business Practice NQF 1 Learnership with Signa.

American Chamber of Commerce in the Education, Training and Skills Development category in June 2014.

Signa Academy offers the following benefits to their agribusiness partners through their enterprise development programme:

- Customised strategic interventions for optimum skills development and enterprise development benefit, utilising tax benefits and SETA grants provided by the Government.
- Generic management and ad-

ministration business simulator.

- Preparation of the skills and enterprise development file for audits and reporting.
- Strategic alignment to the amended B-BBEE Codes of October 2013.
- Enterprise and supplier development through structured new venture creation learnerships to enable entrepreneurship.
- Mentorship and operational support for sustainable business setup and growth.

- Sourcing, assessing and developing current suppliers through specialised training.
- Customised supplier development aligned to the revised B-BBEE Codes, which is moving the emphasis from enterprise development to supplier development.
- Strategic supplier and enterprise development initiatives for maximum stakeholder benefit.



” The efforts of Signa Academy were rewarded with a Stars of Africa Silver Award from the American Chamber of Commerce in the Education, Training and Skills Development category in June 2014.



Sentraal-Suid Co-operative Limited (SSK) operates in the Southern Cape, with its head office located in Swellendam. The company, founded in 1931, has been serving its loyal members as a co-operative for more than 80 years.

**COMPANY PROFILE:**  
**Sentraal-Suid**  
**Co-operative Limited**  
**(SSK)**

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SSK recognises social responsibility and social responsibility programmes as long-term investments to create better living conditions and a better future for communities.

SSK's responsibility programmes are supported by four pillars that are closely linked with the Broad-Based Black Economic Empowerment (B-BBEE) policy in South Africa, namely community, environment, market square and workplace focus.

**B-BBEE verification**  
Following a recent B-BBEE verification, SSK obtained the full potential points in terms of enterprise development. This achievement relates directly to SSK's involvement in financing large empowerment transactions for Southern Oil (Pty) Ltd (SOILL) and Riparian Investment Consortium 1.

SOILL has established two trusts, namely the Canola Development Trust and the SOILL Employee Trust. The objectives of

these trusts are to engage in commercial activities and to pursue business opportunities in the interest of beneficiaries.

The ultimate goal of the Canola Development Trust is to empower employees of farmers who supply canola seed to the company. The trust has a 10% shareholding in the company and currently has 480 beneficiaries.

The beneficiaries of the SOILL Employees Trust are permanently employed by SOILL. The trust holds 18% shares in the company. Dividends have been paid out to the beneficiaries for the past three consecutive years.

**Empowerment of emerging grain farmers**

SSK's largest footprint and involvement currently lies in three projects: Suurbraak Grain Farmers, Saambou Farmers and Goedgeloof Boerdery, where it provides agricultural advice, financial assistance and credit management.

## Success story

### Suurbraak grain farmers

Dirk van Papendorp, a commercial farmer and vice-chairman of SSK, assisted in transforming the lives of five emerging farmers of the Suurbraak region in the Overberg. These farmers, Eddie Adams, Wilmar Adams, Chris Louw, Allen Jephta and Dirkie Willemse are also the founding members of the Suurbraak Grain Farmers Co-operative (SGF). Agriculture in Suurbraak is practiced on about 3 000 hectares state-owned land, which is hired from the municipality under a nine-year lease.

The farmers of SGF regard SSK as their partner in a structured way, and rely on the company for agronomic advice and funds to finance production on an ad hoc basis for future growth. From the start SSK was directly involved in the financial management of funds realised from the project. Full production accounts were opened for each member as well as for SGF. The credit management division of SSK is closely involved in the administration of these farmers' funds. SSK's agronomists and agricultural economist serve farmers with advice on a continuous basis and valuable lessons have been learned. These services are provided free of charge to farmers involved in this project.

Precision farming is applied throughout the preparation and deployment of all new land within the project. Technifarm, a subsidiary of SSK, was closely involved in the preparation of maps and delivering of precision caster services. A successful harvest was realised in the first year (2010) as a result of SSK's regular crop cultivation inspections and advice in terms of fertilisation, tillage and spraying.

Managing the harvest income on behalf of SGF members is essential and SSK has been performing an excellent job over the past three years in this regard. This has been so successful that the farmers' own funds could be used to plant an additional 155 hectares of land in the third year (2013). The project was honoured in 2012 with a LandCare award for the best conservation farming project in the country. Van Papendorp's involvement as director on the SFG Board provides SSK an ex-officio seat on the board of this young emerging B-BBEE agricultural company.

SGF has been involved in providing micro-finance loans for agricultural production resources in the Suurbraak community and also supports many community activities. Alternative financing options are currently being investigated to ensure the development of the available agricultural land and full utilisation thereof.



Members of the Suurbraak Grain Farmers' Co-operative, Dirkie Willemse (left) and Wilmar Adams (right).

**In 2012, Suurbraak Grain Farmers project obtained a LandCare award for the best conservation farming project in the country.**

## Success stories

### Saambou Farmers

Pieter van Wyk, an emerging grain farmer from Slangrivier, approached SSK for financial assistance to buy production inputs. SSK approved the project plan and in 2013 a co-operative named Slangrivier Saambou Farmers Co-operative Limited was established with the assistance of Alan Jetha (SGF member and lawyer), Pieter van Wyk, Tommy Schietekat, Aletta Schietekat, Harold Abrahams and Neels Uys (SSK member and project).

The project started on about 95 hectares under grain crops. In the first year the emphasis was on the correction of the soil nutrient status, which had been broken down by years of neglect. Precision farming techniques such as grid sampling was used throughout to map the land involved.

SSK is an important link for the co-operative as it is the only organisation in the area that has the necessary systems in place to ensure proper financial control over grain funds utilisation.

### Goedgeloof Boerdery

Goedgeloof Boerdery is currently the only project in the SSK area operating as a sole proprietorship. Brian Michaels is a full member of SSK who farms on about 121 hectares in the Klein Karoo between Barrydale and Montagu. The farm is state-owned and rented by Michaels with the option to buy it later. Van Papendorp became involved as a mentor for Michaels during his application for funds from the grain Commodity Project Allocation Committee (CPAC) in 2011.

SSK's agronomist and agricultural economist visit the farm regularly and provide Michaels with guidance to ensure a successful and sustainable project. They assisted him and his mentor to correctly formulate and prepare his application for funding. SSK's credit manager is involved in the financial management of the project.

The project's approach is to improve the soil fertility status first and then, using minimum tillage, planting oats for hay to be baled. Hay will be used in the dry summer months as feed for a flock of 300 sheep and 40 head of cattle.



## Challenge

The development of new farmers in the SSK area remains a challenge, mainly due to external limiting factors over which SSK has limited or no control. Where SSK has leverage, they use it proactively to promote sustainable solutions for problems.

The areas requiring urgent attention and where SSK, its staff and its board are currently involved in, are the following:

- Whole-farm planning from ground level with a strong emphasis on precision farming.
- Financial controls to prevent mismanagement of revenue.
- Applied agronomic advice to ensure optimal production of grain crops.
- Access to sufficient land if the project is successful. It communicates hope and growth to the beneficiaries of the projects.
- Budget management to help train new farmers on how to effectively plan and survive with available finances.
- Effective financial aid packages, flexible enough to reflect the diversity of agricultural enterprises in different areas.

” SSK recognises social responsibility and social responsibility programmes as long-term investments to create better living conditions and a better future for communities.

- Purposeful and pro-active mentorship that provides the farmer with the relevant guidance.
- Co-ordination of all activities concerned with empowerment at farm level.

Probably the biggest problem with the roll-out of new empowerment projects is the myriad of departments and agencies involved. This often causes willing partners and mentors to give up before they have even started. Red tape is one of the biggest reasons why empowerment and land reform in South Africa progress so slowly.

Integration of the abovementioned challenges could contribute to effective implementation of empowerment in agriculture.



Precision farming at Suurbraak.



Through world-class science, global reach and commitment to customers Syngenta helps to increase crop productivity, protect the environment and improve health and quality of life.

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Syngenta contributes to sustainable agriculture in many ways. Apart from developing innovative products that help farmers grow more from less, Syngenta is guided by the conviction that value creation depends on the successful integration of business, social and environmental performance.

**Timbali Technology Incubator mentoring programme**

Timbali Technology Incubator is an agri-incubator that sets up small-scale farmers in their own businesses. It is a non-profit organisation, funded by the government, private companies and international aid.

Syngenta has been actively involved in the sponsorship of the Timbali Technology Incubator mentoring programme over the past 12 years, assisting with a large amount of pro bono work in the form of needs analysis and training.

A needs analysis is done to identify the specific challenges that the farmers experience with pest infestations followed by custom training of the farmers to address these issues. The training comprises two components: theoretical training in the boardroom after which the farmer's competencies are evaluated by means of a test and practical training in the growth tunnels. Syngenta also does a needs analysis for the off-site farmers in the Mpumalanga cluster at Middelburg and provides 35 Dovheni off-site farmers with protective clothing.

In an ongoing investment, Syngenta teaches trainee flower and vegetable growers about the safety, health, environmental and quality (SHEQ) policy, insect and mite management, and disease control.

Timbali has developed a model for connecting low-skilled

” Syngenta is guided by the conviction that value creation depends on the successful integration of business, social and environmental performance.



**Nompumelelo Madonsela is a flower producer in one of the Timbali AmaBlom projects. AmaBlom provides participants with the opportunity to be part of a collective marketing, branding and bulk selling initiative.**

unemployed young farmers to sophisticated Global Gap-certified markets. They use a "cluster" model to improve economies of scale for small-scale start-up farmers. The model borrows from tried and trusted franchise principles to provide a business format enabling ordinary people to deliver a repetitive, predictable high-quality product.

The agribusiness cluster model of Timbali is a ground-breaking

endeavour that is creating a platform for sustainable development of small-scale agriculture in South Africa.

- Timbali provides both the physical infrastructure and the meta-physical or "soft"

**” Syngenta is one of the world's leading companies with more than 29 000 employees in 90 countries dedicated to our purpose: bringing plant potential to life.**

support services needed to create this enabling environment that provides start-up farms with the opportunity to grow into independent, competitive businesses. This is achieved through training, mentorship, technology packaging, financing facilitation and marketing.

- The incubator greatly improves the chances of survival of start-up businesses during the first three years, when they are most vulnerable.
- Timbali started with cut flowers and has since diversified to include all horticultural products like foliage crops, fruit trees, ornamental crops, vegetables, etc.

Timbali has recently received a Gold Productivity Award from Productivity SA.

This award is aimed at recognising organisations and companies that continue to improve their productivity, despite difficult trading conditions.

Through world-class science, global reach and commitment to customers, Syngenta helps to increase crop productivity, protect the environment and improve health and quality of life.



Die Humansdorpse Koöperasie Beperk, trading as The Co-op, is a leading agricultural business with a strong value system that is operating on healthy economic principles.

**COMPANY PROFILE:  
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The Co-op delivers innovative and outstanding client services with the main objective to ensure the profitability of our members on a sustainable basis.

- Employee recognition, development and inter-dependence
- Innovative thinking
- Community responsibility
- Environmental awareness

**Our value system:**

- Dependence on our Creator
- Integrity and transparency
- Mutual respect and equal opportunities

**Our pillars of success:**

- Excellent client services
- Growth and development
- Community involvement
- Sustainable profitability



## Development projects in the agricultural sector

The Co-op recognises the fact that in South Africa it is a challenge to help black farmers and small-scale farmers to become successful, commercial and sustainable. The Co-op

also recognises that most of the current systems and models are not suitable to support these farmers.

Our goal is to establish successful commercial farming enterprises, but we also realise that we need

to make a larger impact so that entire communities can benefit from successful farms.

The Co-op wants to be a catalyst in this development process and therefore it developed different BEE models to support the different farming enterprises. These models are adjustable to fit the different circumstances that exist throughout our operational area. The models are designed to meet some of the challenges of emerging farmers and can be used in most farming enterprises such as dairy, deciduous fruit, citrus and cash crops. Although most of the principles might be the same, every farm and every business opportunity is unique, and therefore a one-size-fits-all approach is not advisable.

The Co-op recognises the fact that it is extremely difficult for individual commercial farmers to do BEE projects because of the limited capacity to address and implement all the complexities of such a process. Farmers are technical, result-driven problem-solvers who focus on their businesses and usually have limited time and resources to apply for something as intricate as BEE projects.

One of The Co-op's pillars of success is "growth and development", and therefore we want to develop successful and sustainable BEE farmers who will make a contribution to food security in our country and thus contribute to growth and development.



**“ The Co-op, is a leading agricultural business with a strong value system that is operating on healthy economic principles. ”**

## Impact of current BEE projects

There are currently 58 projects being financed by The Co-op and running on the limited risk models that we are using. These projects have 5 221 beneficiaries, 1 069 permanent workers and 1 556 seasonal workers. In total, 8 446 people are directly involved and more importantly, approximately 42 200 people are indirectly involved. The spin-offs of these projects are much bigger than meets the eye at first.

## Financing

The Co-op, in conjunction with the Land Bank and Government, offers finance to black farmers. These funds are provided by Government via the Land Bank. However, The Co-op is responsible for assessing the applications and for the administration of the facilities and credit control. It also bears the financial risks. The total amount of financing that is approved by Land Bank for these projects is R150 million. It is also expected of The Co-op to provide the necessary expertise, training and mentoring to these farming enterprises to help ensure their sustainability.

## BEE department

The Co-op has established a BEE department with the primary responsibility to market, facilitate and support these projects. We employed an agricultural economist, amongst others, in the department to support these projects and to assist with the development of these farmers.

The Co-op employs expert technical staff, including a veterinarian, agronomists, an agricultural economist and irrigation technicians in the different business units. These experts are made available to emerging farmers to ensure sustainability.

## Transkei/Ciskei regions

The Co-op is involved in the Transkei/Ciskei areas, as well as in the rest of the rural areas of the Eastern Cape. The purpose of this is to provide the necessary inputs and expertise to develop and support successful farming operations in the area. The Co-op aims to contribute to the development of these rural areas by providing them with agricultural and administrative services. It is involved in the drafting of a strategic development plan for the Qamata, Whittlesea, Ngcobo and Ndlambe regions with the help of a sociologist (Prof Deon Pretorius), one of our employees, and the input and involvement of the local community. A branch has been opened at Qamata where goods are provided to the local population. The purpose of this branch is not solely commercial - it is rather to support this initiative of rural development.

The Co-op is in continuous discussion with its suppliers and other role players in order to secure their support to these projects and to try and establish a bigger and more focused effort in developing these areas. We see this as new development

as these areas are currently unproductive.

## Social projects

The value system and the pillars of success of The Co-op refer to community involvement and the responsibility thereof. We want to make a difference to the lives of the people living in the communities, as well as to the lives of our employees who are living in these communities, in order to ensure the sustainability of these rural communities.

## Community projects

A non-profit company, Sakh'ingomso, has been registered. This company will secure funding from the state and other role players and is involved in the following projects:

- AIDS clinics on farms: Farm workers are offered AIDS counselling and support, while liaison takes place with the local authorities for the care of people diagnosed as HIV-positive.
- Nursery schools: The schools offer programmes to promote school-readiness amongst farm workers' children. Grade R learners are assisted to become school-ready. Parent training programmes are offered and a social worker is assigned to each school to assist in this regard.
- Diverse projects are identified and The Co-op becomes involved where the necessary merits exist.

## Healthy Mom and Baby Clinic

The Co-op supports this clinic in Jeffreys Bay by subsidising

## Success stories

### *Gamtoos Valley Farming (Pty) Ltd t/a Entabeni (Patensie)*

The Co-op is currently involved in this BEE farming project and provides the necessary support in terms of management, finance, training and expertise to ensure the sustainability of farming operations.

An advisory committee consisting of successful local farmers are being set up to assist the management of the farm with practical knowledge and advice on the crops grown and general farming practises in order to achieve successful skills transfer. When The Co-op became involved at Entabeni, a turn-around strategy was implemented, and by applying sound business principles, the farming enterprise was turned around from a loss-making business into a profitable and sustainable enterprise. This kind of change is only possible once there is mutual trust amongst all the stakeholders.

### *Birbury Farming (Pty) Ltd (Bathurst)*

During the past financial year, The Co-op became involved in this farm near Bathurst. Pineapples are the main source of income on the farm, which was acquired by the Department of Rural Development and has 29 beneficiaries. The Co-op is supplying inputs in terms of finance, training, expertise as well as management to ensure that the farm is sustainable.



nursing staff salaries on an ongoing basis. The state provides the clinic with medication, but operating costs are covered by private donations. The clinic offers professional medical services to pregnant mothers and babies. Information services regarding HIV, alcohol abuse and personal health are also provided. The clinic provides services to 450-700 women and children per month in the Kouga area and makes an enormous contribution to the welfare of the community.

### **Foundation for farming project**

The Co-op is involved in this project on a continuous basis and supports it by paying the salary of a service worker as well as making necessities available where appropriate. The project is a private initiative of a group led by a member of The Co-op and is run in conjunction

with the Christian Social Services (CSS). This initiative aims to train members of the community to establish vegetable gardens and feeding themselves and their community. In the process, technical knowledge as well as Bible principles are shared, while creating a feel for the land and the farming environment.

### **Sundry projects**

Ad hoc contributions are made on an ongoing basis where there is a need. Examples of these are the erection of a wired fence at a farm school, the donation of toilets for a farm school as well as the provision of tanks, cement and paint for the construction and upgrading of facilities at farm schools.

### **Skills development and training of personnel**

The Co-op's pillars of success and value system refer to:

1. Growth and development
2. Equal opportunities
3. Employee recognition and development

Since we want to live up to and accomplish these goals, we have different actions in place to actively work together to reach this dream.

### **Employee programmes**

The Co-op is involved in projects regarding the welfare and development of its employees on an ongoing basis. A long-term agreement has been concluded with a service provider to provide employees with the following services on the premises:

**” The Co-op aims to contribute to the development of these rural areas by providing them with agricultural and administrative services.**

### **• Social programmes and development**

The following programmes are offered to all employees:

- Personal financial management: training in personal finance
- HIV and AIDS: an awareness programme (for HIV patients) is supported
- Work ethics: definition of ethics, communication, productivity, conflict resolution and similar matters
- Health: dangers of smoking and alcohol and drug abuse (the prevention and treatment of addiction)
- Relationships and marriages: addressing employees' personal problems and helping with precautionary measures
- Living with HIV: programme for HIV-positive employees, including treatment, lifestyle adjustments and care

### **• Confidential counselling**

If needed, confidential counselling is provided free of charge by a qualified social worker. Home visits are conducted where necessary.

### **Learnerships**

A contract was concluded with the SETA in terms of which training is offered to current employees and unemployed people in the form of learnerships. These

learnerships include formal as well as on-the-job training and equip people for a career within the sector.

An agreement was signed with Production Management Institute (PMI) to partner with them regarding training of almost 100 learners identified by The Co-op on the learnership principle. These learners are selected from the employees and beneficiaries of the BEE projects that we are involved in. The training is financed by the service-SETA.

### **Bursaries**

Bursaries are made available on an annual basis to persons from previously disadvantaged groups. The students are selected and their study fees are paid in full, which enables them to enrol in full-time studies.

The Co-op contributes to the self-development of our existing personnel by financing distant learning and short courses.

The total spent on skills development this financial year was R1 058 687.

### **Donation of computers**

Laptops and computers have been donated to needy students to assist them with their studies at different universities and agricultural colleges.

## Black Economic Empowerment (BEE)

The Co-op supports the principles of the Broad-Based Black Economic Empowerment Act of South Africa. We do have a scorecard, measured on the Agri-BEE Sector Charter. As we are a co-operative, our business entity makes it difficult to perform well on elements such as ownership, and therefore we need to perform well on the rest of the elements such as skills development, enterprise development and socio-economic development. The projects and actions mentioned above form part of our actions to attain full score for both enterprise development and socio-economic development, as well as a fairly high score on skills development.

We are currently a level 6-contributor to B-BBEE, with a 60% BEE procurement recognition. We want to develop and implement our own scorecard to correctly measure the elements that have the biggest impact on establishing successful black farming enterprises.

**“ We are currently a level 6-contributor to B-BBEE, with a 60% BEE procurement recognition. ”**



VinPro was established in 2003 to render professional and need-driven consultation services in viticulture, oenology, soil science, agro-economy and general management for the wine industry. It also has a development division that has a key focus on the development of black farmers and farmworkers.



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VinPro represents the interests of its member base comprising around 3 500 wine producers and cellars.

The development of black wine farms and businesses form a key part of VinPro's growth plan for the wine industry and it is involved in various initiatives aimed at establishing sustainable black enterprises.

### Origin Wine and Riebeeke Valley Wine Partners

Origin Wine has grown from a three-man enterprise to a business with 220 employees that sells in excess of 80 million litres of wine a year.

The latest project that Origin Wine is embarking on, is a marketing and distribution agreement with the Riebeeke Valley Wine Partners (RVWP) to set up a new B-BBEE project, and, without a doubt, one that will change the lives of the 167 shareholders forever.

With this exciting new project, Riebeeke Cellars will produce the wine for Partnership Vineyards, while Origin Wine will position the brand locally and internationally, securing the development of the brand and also the sustainability of the investment. This will be the first black-owned brand in the wine industry emanating from the Swartland region.

RVWP started out in 2004, when Riebeeke Cellars planted 15 hectares of Sauvignon Blanc to launch the Riebeeke Valley's first wine empowerment initiative. Named Partnership Vineyards, this venture has proven to be a model of co-operation and sustainability with three main factors to its advantage: excellent raw materials, a marketable final product and a partnership.

The farm is owned by RVWP, of which 40% is owned by 167 previously disadvantaged workers from the region. Apart



**The Partnership Vineyards store will be about 810 square meters and will include an office for the farm manager, chemical store with shower, workshop, tea room with lockers for the staff, bathrooms and storage area for tractors and other equipment.**

from the 20% share that Riebeeck Cellars has, the remaining 40% is in the hands of the 28 full-time grape producers in the Riebeeck Valley. To date, 56,9 hectares of grapes have been planted, including Sauvignon Blanc, Chenin Blanc, Viognier, Shiraz and Grenache - currently a total of 600 tonnes of grapes are processed annually.

According to Karools Pietersen, a representative of the worker shareholders, RVWP is a model of accountable black empowerment. "All those involved realise the responsibilities which each one has, as well as the fact that ownership is one thing, and hard work yet another. We realise by now that true black empowerment is not about the doling out of charity, but rather about creating opportunities. This farm, with its

wonderful soil and winemaking potential, together with the cellar expertise of Riebeeck Cellars and the marketing and distribution expertise of Origin Wine, offers us the opportunity to be involved in the entire winemaking process, from the soil to the bottle."

Says Bernard Fontannaz, CEO at Origin Wine, "We will assist in the production and marketing of the wines through our current relationships. The Partnership Vineyards wines need a shakeup and a more focused approach to marketing. We plan to grow the brand to 100 000 cases within the next five years. The farm is currently being prepared for Fairtrade and Wieta accreditation and we hope to market all

wine from vintage 2015 as Fairtrade. Our end goal is economic empowerment. We want to help transform this industry by giving low-cost production assistance. This basically boils down to buying their wine in bulk, packing the bulk and carrying the cost. We will then sell wine through our existing relationships."



VKB Agriculture (Pty) Ltd is a 100-year old agricultural enterprise that has, over time, built an excellent reputation as one of South Africa's most dynamic and steady agricultural enterprises.

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The company has 3 000 shareholders who are all agricultural producers. VKB has a unique co-operative business model where the biggest section of the company's yearly profit, before tax, is disbursed to clients as an incentive.

VKB's primary business revolves around the supplying of production inputs to the agricultural producers, as well as the handling, storing and marketing of grain. Additional services include finance, insurance, mechanisation, agricultural development and seed processing. Furthermore, VKB is involved in various value-adding activities such as grain milling, producing animal feeds and soya oil, as well as a chicken abattoir, and a factory that supplies packaging.

**Transformation**  
VKB believes that the agricultural sector, because of its historical evolution, has a critical role to play in the overall socio-economic transformation of the South African society and continues to play a significant role in the South African economy.

As a result, VKB recognises the significance of transformation and the importance of making it part of its strategic priorities.

Furthermore, VKB believes that transformation imperatives like Broad-Based Black Economic Empowerment (B-BBEE) are instrumental in substantially accelerating meaningful participation of the previously disadvantaged individuals at all levels in the economy.

Accordingly, VKB's transformation goals are in harmony with the spirit and substance of the B-BBEE Act 53 of 2003.

**Farmer development programme**

Involvement in the development of farmers is a conscious decision that VKB made to be part of an integrated and coherent socio-economic process. This initiative is linked to VKB's strategic goal of transformation which aims at developing and assisting black South Africans in establishing, owning and running agricultural businesses.





**GFADA assists farmers of the farm Schurvekop, near Rosendal.**

The spin-offs from this initiative are increased social capital, economic growth, job creation, stability, equitable distribution of income, food security and conservation of natural resources.

### How VKB drives farmer development

Development of emerging farmers is a priority of the VKB Group and it has adopted a long-term strategy of Vision 2020 – Leadership in the Development of Sustainable Commercial Farmers. The purpose of this strategy is socio-economic development through increased economic growth, job creation, equitable distribution of income, food security, social capital and conservation of natural resources. VKB has 54 emerging farmers

in its development programme, with a joint arable area of 4 700 hectares that extends across the company’s service area.

It has a dedicated team that solely focuses on the development of the farmers and their success. The function of this team is informed by the mandate of the farmer development programme. The farmer development programme is a threefold programme that aims at the following:

- Assisting farmers with a comprehensive package of support regarding mentorship, extension, training, finance, access to inputs and product markets.
- Instilling good business conduct, commitment, engagement and acceptance of full

ownership and responsibility by farmers.

- Alleviate specific constraints regarding capital formation, literacy, soil status, economies of scale, management and mechanisation capacity.

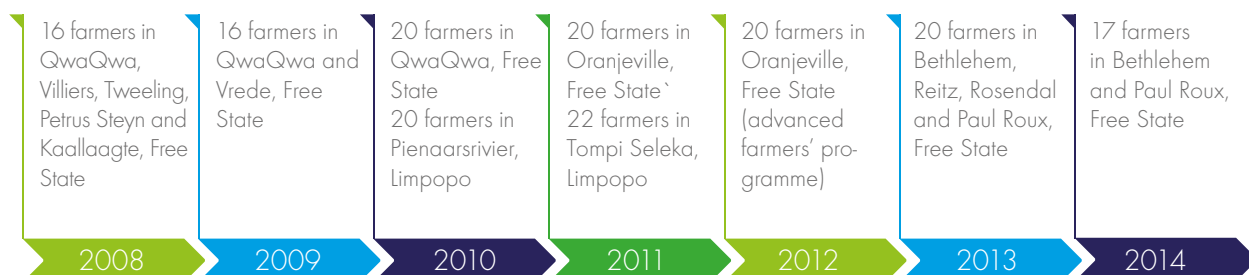
VKB recognises the important role of its stakeholders in development. Co-operation with development bodies, government, organised agriculture and agribusinesses are therefore always high on its development agenda. VKB implements joint development projects at farm level and administers monetary support funding on behalf of the Grain Farmer Development Association (GFADA), Maize Trust, Winter Cereals Trust, Agricultural Research Council (ARC) and government departments.

### Training programme for developing farmers

Training of upcoming farmers remains a strong and efficient driver of VKB's enterprise development strategy. This programme aims at equipping and furnishing developing farmers with modern farm management and technical skills. VKB's contribution in terms of training and development of emerging farmers is above 3% of its net profit after tax every year. This makes the company a Level 1-contributor to B-BBEE in terms of enterprise development criteria.

### Training milestones

#### Enrolment of developing farmers from 2008 to 2014:





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## the way to prosperity

Our collective knowledge, networks and participation drive the ongoing campaign for a favourable agribusiness environment.

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