



***ENHANCING COLLABORATION WITH AGBIZ GRAIN MEMBERS
ON COMMERCIALISATION OF EMERGING FARMERS***

12 AUGUST 2015

Presentation Outline



- Background Information
- GFADA Strategic direction
- Strategic Alliance with Stakeholders

Background Information

- **Private sector initiative – launched 2009 – NPO,**
- **Initiated by the GVCN companies:**
 - Input suppliers,
 - Grain Processors,
 - Grain Traders,
 - Agribusinesses,
 - Grain storage,
 - NAMC.
- **Has independent Board of Directors;**
 - Industry Trusts,
 - NAMC,
 - Commercial sector,
 - AgBiz
- **Regarded as a Transformation Agency of the grain industry Trusts (Maize Trust, Winter Cereal Trust & Sorghum Trust)**
- **Provides support to emerging grain producers in accordance to the Grain Industry Trusts guidelines.**

Support Services Offered by GFADA

- **Farmers are assisted with grant funding:**
 - ▣ Soil correction (through application of lime),
 - ▣ Cost of crop insurance premiums,
 - ▣ Cost of mentorship,
- **Farmers need to raise the rest of the input cost from credit providers (Land Bank, Agribusinesses, etc)**
- **Farmers are supported for period of 5 years**
- **Intention is to lower the risk of the farmer and improve profit margins for reinvestment purposes**
- **Support is only on maize, wheat, barley, oats and sorghum**

Support Services Offered by GFADA...

- **New developments in respect of winter crops (Winter Cereal Trust - Customised transformation guidelines):**
 - The Winter Cereal Trust offers financial assistance to emerging farmers on the following basis:
 1. Each applicant (emerging farmer) will be evaluated to determine the needs with special reference to ***soil correction, crop insurance premiums, mentorship, production inputs*** and ***enterprise development***;
 2. Costs in respect of ***soil correction*** through the input of lime will only be paid once for the entire farm enterprise; and
 3. A portion of the costs of ***production inputs*** will be made as a once-off payment to the relevant agribusiness for each farmer involved in the programme. The “investment” will be ring-fenced for a specific farmer and must be topped-up by the farmer concerned to the original amount from earnings of the crop obtained to ensure sustainability of the farming enterprise.
- **GFADA adopted the WCT guidelines**

Strategic direction

Strategic intent:

- **To develop emerging farmers into commercial farmers through:**
 - *Linking sponsors in the value chain to high potential new era farmers;*
 - *Developing innovative funding and insurance solutions; and*
 - *Involving technology to improve information and communication.*

- GFADA envisage to facilitate the establishment of **200 black commercial producers by 2020 (of which GFADA will contribute 50)**.

- GFADA is of the view that the impact of transformation on wide focus was minimal and resolved that the future approach and focus should now be “**deeper**” and not be “**wider**”.

Strategic direction...

Core Strategic Objectives

Core objective 1: Increase our sphere of influence

- To continuously align ourselves to the needs of our stakeholders (Government, sponsors and new era farmers) and **actively pursue alliance** and network opportunities to increase the sphere of our influence.

Core objective 2: Technology and branding

- To optimize the usage of technology (marketing, training, monitoring and communication) and build the GFADA brand through consistent high quality services and solutions.

Core objective 3: Innovation

- To ensure sustainable growth through diversification and innovation.

Strategic alliance with stakeholders

Government

DAFF

Local and distric government, Provincial departments of Agriculture

Department of Rural development & Land Affairs

NAMC

Financial Institutions

- Land bank & Commercial banks (*Standard Bank; ABSA; Nedbank; First National Bank*)

- *Omnia and Old Mutual*

- Grains Trusts (*Maize Trust, WCT, Sorghum Trust*) and Oil and Protein seeds Trust

GFADA

Agribusinesses

GWK; SENWES; AFGRI; NWK; VKB; OVK; TWK; KaapAgri; Overberg; Monsanto; Syngenta; Tongaat; South African Breweries ; Pannar; John Deere

Farmer's Associations

- AFASA

- Grain SA

- Any other recognised Ass

Strategic alliance with stakeholders...

- **Enhancing collaboration with Agbiz Grain members on commercialisation of emerging farmers**

Partner	Motives
1. Government	<ol style="list-style-type: none"> 1. Structural and infrastructure support (e.g. mechanisation, soil rehabilitation, irrigation, land allocation) 2. Pooling of resources (e.g. CASP grant to be channel through GFADA for grain farmers) 3. Market development within and outside SA's borders
2. Financial institutions	<ol style="list-style-type: none"> 1. Financial support (e.g. competitive interest for emerging farmers) 2. Production and capital loans 3. Grant support – Grains Trusts
3. Agribusinesses	<ol style="list-style-type: none"> 1. Production inputs 2. Production loans with discount for emerging farmers 3. Complimentary services (e.g. agronomist, economist etc) 4. Market access 5. Access to new technologies
4. Farmer's associations	<ol style="list-style-type: none"> 1. Skills (e.g. mentorship) 2. Training



Thank you