



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



Thank you