

“Transforming the Agriculture Sector through the AgriBEE Fund”

A presentation on the AgriBEE Fund Livestock Transformation Conference

22 July 2026



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



PRESENTATION OUTLINE

- ☐ Fund description
- ☐ Objectives
- ☐ Products
- ☐ Qualifying criteria and conditions
- ☐ Targeted beneficiaries
- ☐ Funding thresholds
- ☐ Criteria for transactions above the applicable threshold
- ☐ Exclusions
- ☐ Additional exclusions
- ☐ Proposal origination
- ☐ Application process-flow
- ☐ Additional items considered under the Fund
- ☐ Possible risks and suggested mitigations
- ☐ Examples of funded products



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



BACKGROUND

- ❑ The AgriBEE Fund is a support intervention emanating from the empowerment framework (B-BBEE Act) to enable participation of agribusinesses owned by Black people, previously excluded from mainstream economic activities. It draws its scope from the AgriBEE Sector Code as amended.
- ❑ The Fund was conceptualized in 2006 as an instrument to support the sector's transformation imperatives . The initial objective was to enable beneficiaries to acquire equity in existing and commercially viable businesses to increase participation of black owned businesses in the mainstream economy.
- ❑ In 2012, the scope of the Fund was extended to include promotion of enterprise development initiatives in the form of value adding / agro-processing infrastructure. The Department has appointed Land Bank to manage the Fund, and this relationship is regulated through Memoranda of Agreement (MoAs) that are entered into from time to time. To operationalize the Fund, an Operational Manual has been developed and forms part of the MoAs as an addendum.



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



OBJECTIVES OF THE FUND

- ❑ Support the economic empowerment and successful entry of black people into the agricultural sector;
- ❑ Ensure an increase in the number of black people who own, manage and control sustainable enterprises within the sector;
- ❑ Ensure improved participation by designated groups in the sector; and
- ❑ Promote entry and participation of black people in the entire agricultural value chain.

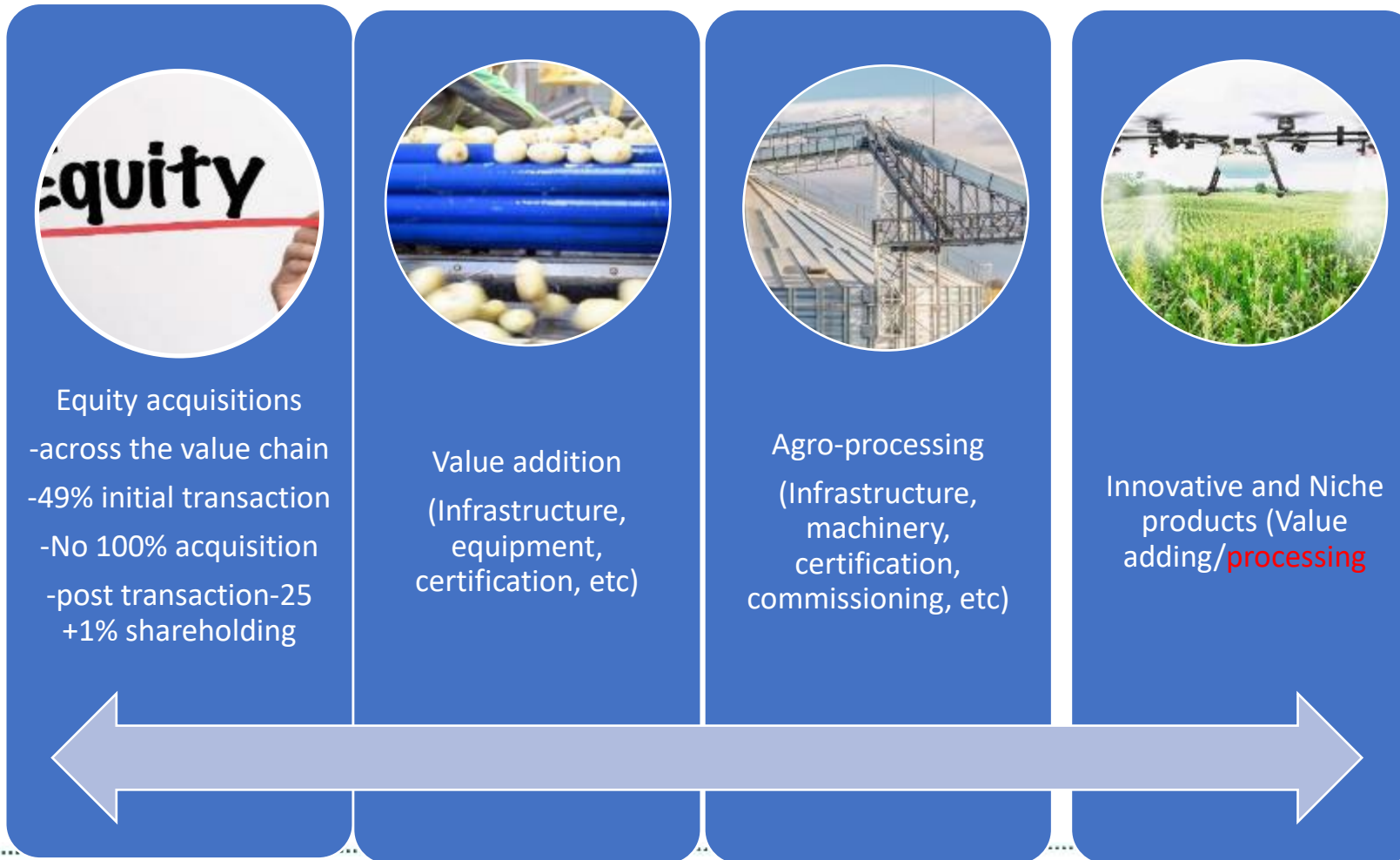


agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



PRODUCTS



- ❑ Commercial vehicles (should not exceed 20% of the total value of the transaction)
- ❑ Alternative energy sources (should not exceed 20% of the total value of the transaction)
- ❑ Applicants include agricultural graduates



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



QUALIFYING CRITERIA AND FUNDING CONDITIONS

CRITERIA

- ☐ Applicants can only be juristic persons incorporated in South Africa
- ☐ The applicant must be black and the entity 100% black-owned. In cases where the entity is not 100% black-owned, only a portion held by the black person/s shall be considered for support through the AgriBEE Fund.
- ☐ Change of ownership during implementation (new owners must qualify as in above)
- ☐ Must either be EME or QSE (Smallholder or Medium scale or large-scale producer)
- ☐ Returning applications (expansionary purposes) must demonstrate progress with initial support
- ☐ Applicants must demonstrate that they have requisite skills
- ☐ Audited financial statements not a prerequisite, independently reviewed financial statement are accepted,
- ☐ Agricultural graduates exempted from the requirement of submitting historical financials, however, proof of markets, off-take agreements and sound-bankable business plan will be required.

CONDITIONS

- ☐ The applicant must complete the application form
- ☐ The applicant must provide a business plan
- ☐ Preference shall be given to applicants, directors, members, trustees or partners that are credit worthy.
- ☐ Applicants must provide proof of a market partner or identified market, market plan and signed contract / undertaking or off-take agreement(s)/letters of intent.
- ☐ The applicant must have skills in the intended business operation
- ☐ For equity deals, an independent business valuation report is required to determine the market value of shares on offer
- ☐ up to 49% in the initial investment provided that post transaction, the applicant shall have a minimum of 25% + 1
- ☐ Provide applicable own contribution



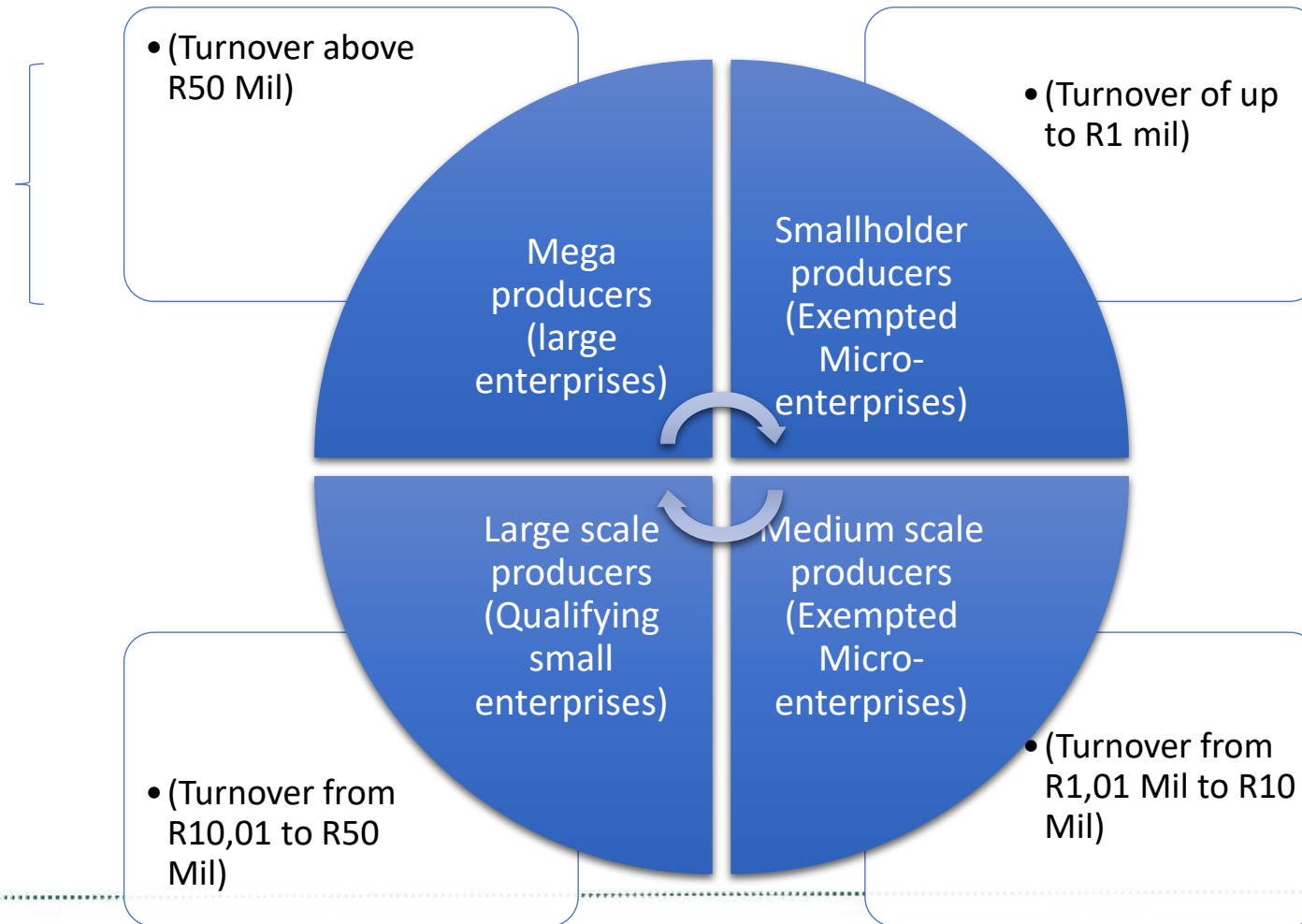
agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



TARGETED BENEFICIARIES

EXCLUSION

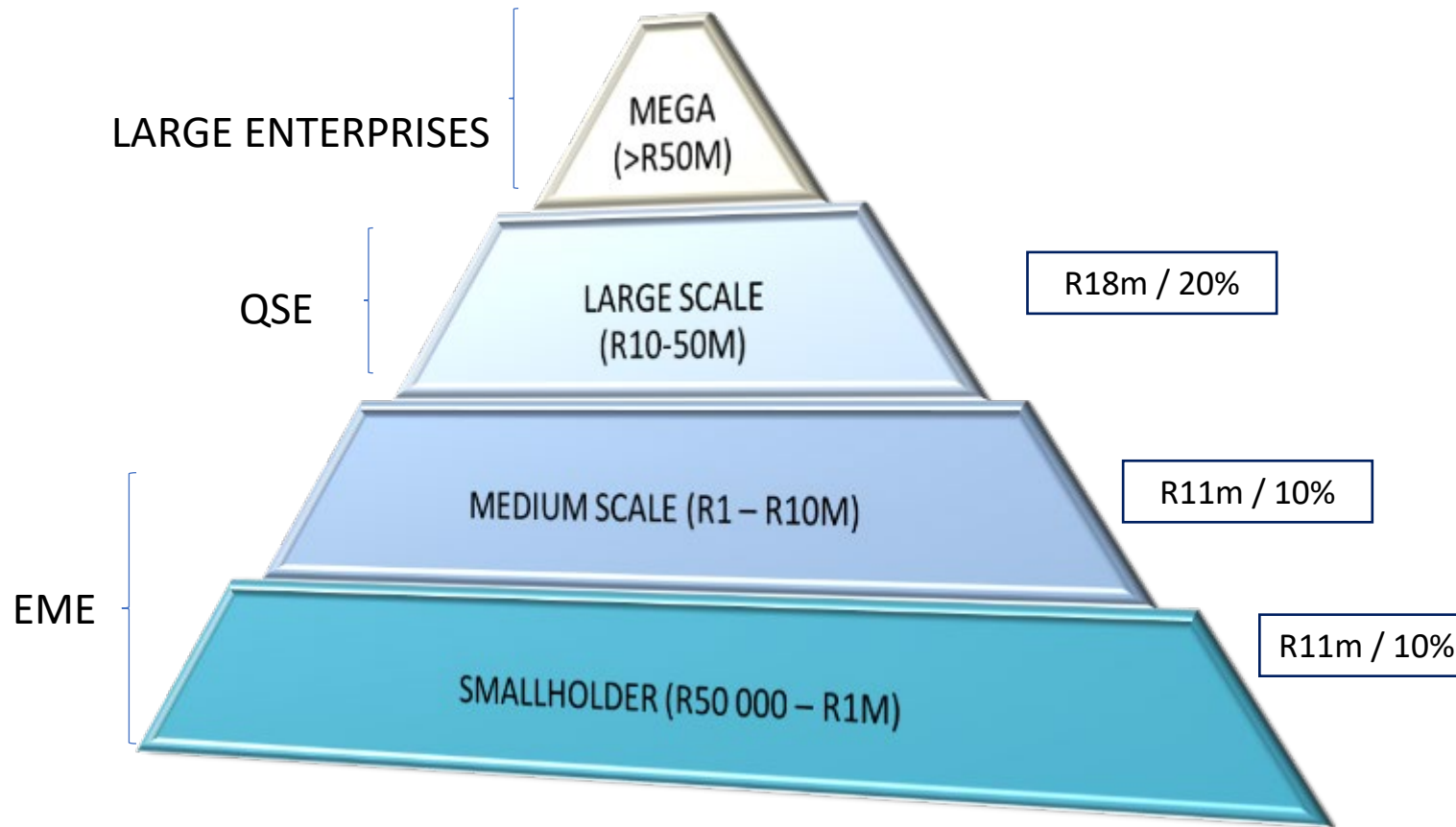


agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



FUNDING THRESHOLDS



❑ Minimum amount considered is R1 Mil

❑ **Preference shall be given to:**

- ❖ Commercially oriented producers
- ❖ Niche/innovative start-ups.
- ❖ Women, youth, people with disabilities & farm workers.
- ❖ Proposal linked to a commodity strategy of a specific commodity group
- ❖ The AAMP commodities (i.e. grain, oilseeds, industrial crops, fruits, nuts, vegetables, wine, beef, sheep, goats, poultry and pork)



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



CRITERIA FOR TRANSACTIONS ABOVE THE APPLICABLE THRESHOLD

- ❖ Transactions should be broad-based in nature;
- ❖ There must be at least five or more shareholders;
- ❖ Support to be capped at the applicable threshold plus 30% of the balance of the Fund;
- ❖ Applicants must be able to raise a minimum of 50% own contribution;
- ❖ Maximum amount apportioned for commercial vehicles not to exceed 20% of the total value of the transaction;
- ❖ Transaction to have a social and economic benefit element;
- ❖ Payment of salaries is not supported.

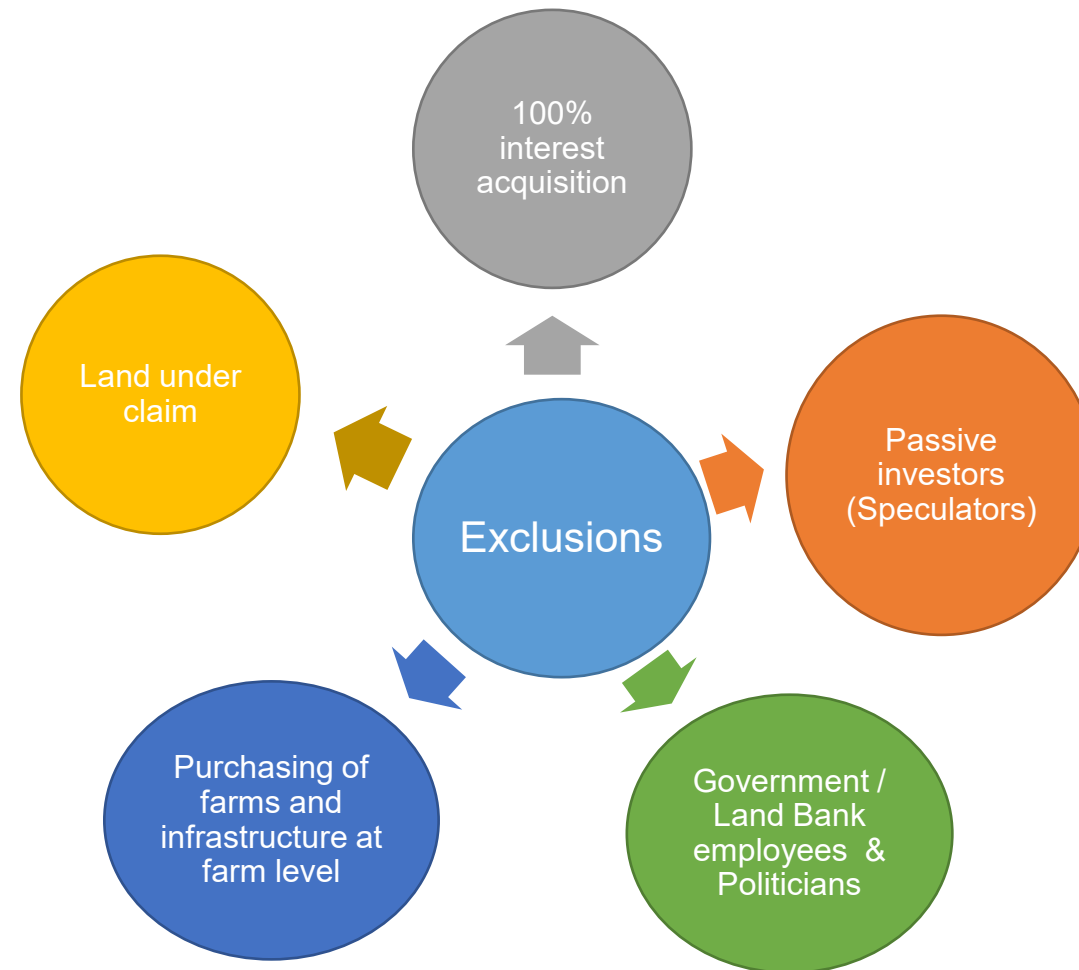


agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



EXCLUSIONS



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



ADDITIONAL EXCLUSIONS

- ☐ Operational costs such as, salaries and rates and taxes;
- ☐ Passenger vehicles (only fit-for-purpose/specialised vehicles will be considered);
- ☐ Costs incurred prior lodging an application and acquiring approval;
- ☐ Increase in investment costs (due to e.g., price escalations) post approval not covered through contingency fees;
- ☐ Black applicants acquiring equity from another black owned agribusiness;
- ☐ Fund may not be used to settle debt incurred prior lodging an application/no bailout
- ☐ Producers and/or agribusinesses who have mismanaged previous government support;
- ☐ Joint ventures;
- ☐ High risk and politically exposed persons (PEP & AML);
- ☐ Government officials or politicians who are beneficiaries or trustees of the applying entity whether in the form of a Company or a Trust;
- ☐ Government officials or politicians who are part of a workers Trust or Scheme; and
- ☐ Directors with a criminal record and or pending criminal cases.

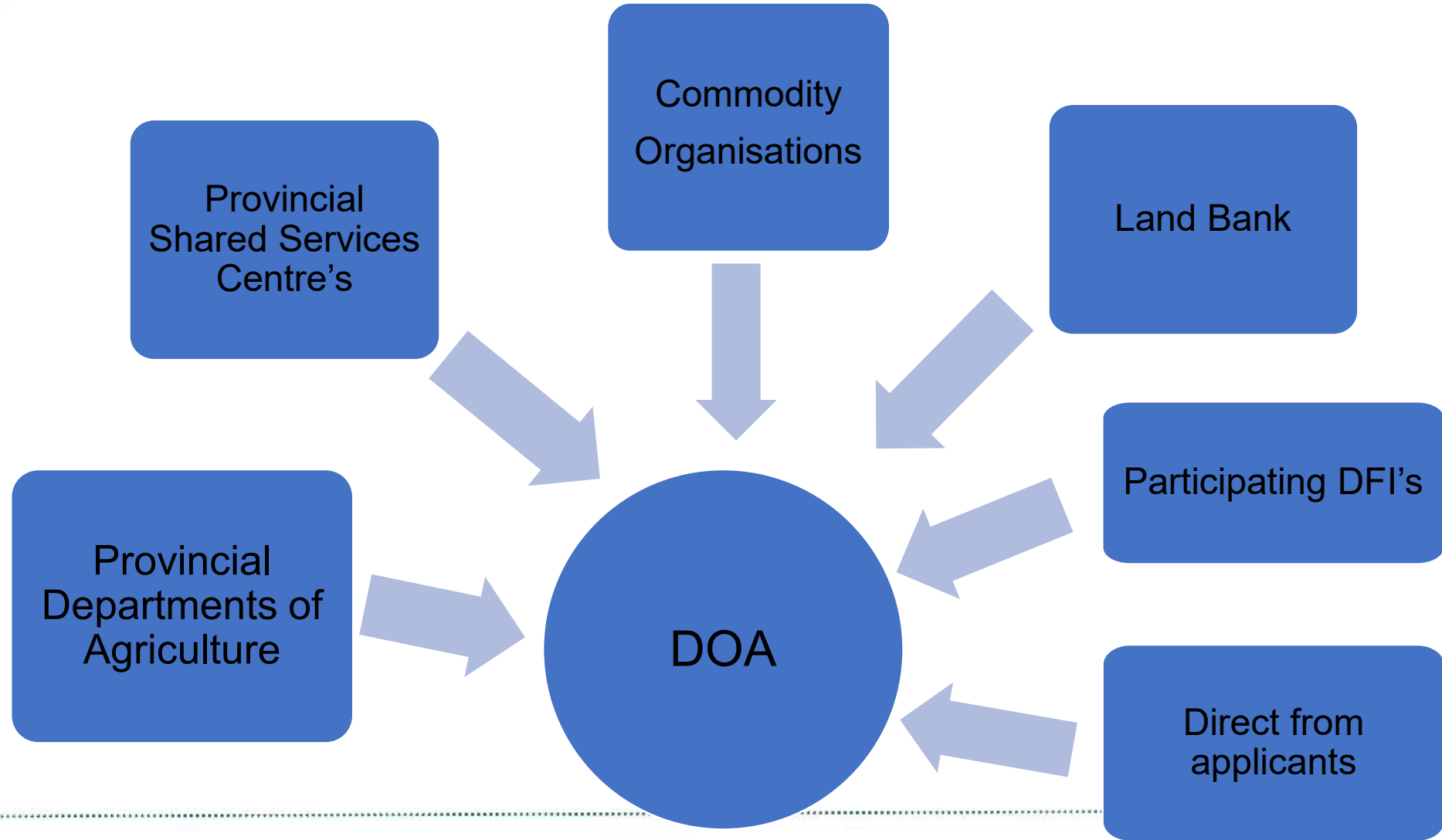


agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



PROPOSAL ORIGINATION



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



ITEMS TO BE CONSIDERED THROUGH THE FUND

- ❖ Equity acquisition throughout the value chain.
- ❖ Agro-processing, marketing and value addition infrastructure such as:
 - ✓ Packhouse, grading facility, fruit and vegetable infrastructure, loading pens, refrigerated vans or trucks, etc.
 - ✓ Certification readiness programmes for compliance to regulatory and private standards.
- ❖ With regards to specialized commercial vehicles:
 - ✓ This shall be determined by the need and usage. Support shall be capped at 20% of the total value of the transaction and the balance thereof shall be sourced by the applicant. Prior approval applicant must furnish proof that she/he would be able to raise 80% balance that completes the transaction.
- ❖ Costs to commission the facility and/or machinery that will be capitalized by the Fund include supply, fitting/installation, electrical and water connections, compliance to regulatory and private standards, and skills transfer on operating the facility and/or machinery.
- ❖ Alternative energy sources capped at 20% of the total cost of the transaction. No stand-alone applications for alternative energy sources



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA



RISK MITIGATION STRATEGIES FOR ASSETS ACQUIRED THROUGH THE AGRIBEE FUND

Possible risks:

- Theft/hijack;
- Own damage/loss;
- Natural disasters;
- Accident;
- Selling if item;
- Usage of moveable; items/vehicle for purpose other than intended;
- Resale of the commercial /specialized vehicle within the 5years of purchase
- Utilization of the vehicle for less than the third of the year (lease vs purchase)

Mitigation strategies:

- Insurance;
- Vehicle tracking systems;
- The applicant shall submit proof of safety features of the facility where the moveable asset/ vehicle will be warehoused/stored;
- Investment on commercial vehicles must not exceed 20% of the total transaction.



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA

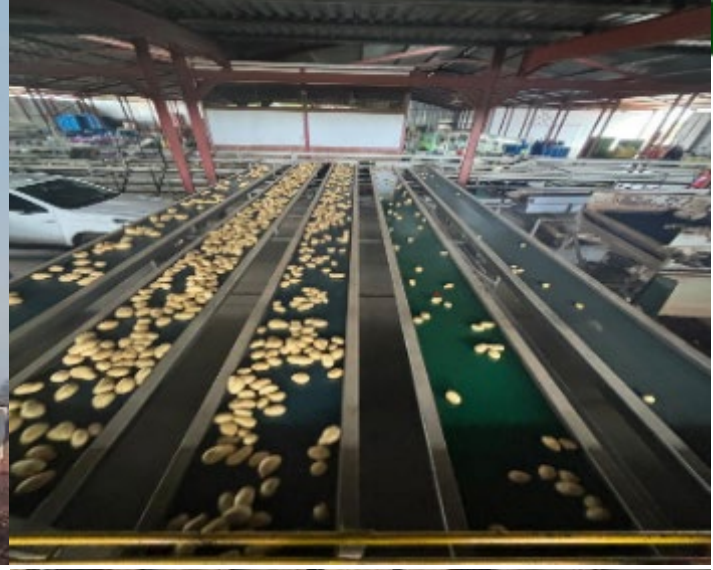




agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA





END THANK YOU!



agriculture
Department:
Agriculture
REPUBLIC OF SOUTH AFRICA





CONTACTS

Mr Mulalo Madima (MulaloMAD@nda.agric.za, (012) 319 8159

Ms Sibusisiwe Matanda (SibusisiweM@nda.agric.za, (012) 319 8143

Mr Siyabonga Ngobese (SiyabongaNG@nda.agric.za , (012) 319 8136



agriculture

Department:
Agriculture
REPUBLIC OF SOUTH AFRICA

