

STAKEHOLDER ENGAGEMENT DOCUMENT

DRAFT AAMP Funding Framework – WORK IN PROGRESS

Mobilising R30 Billion for Inclusive Agricultural Growth



Agriculture and Agro-Processing Master Plan

Prepared by the Agricultural Development Agency (AGDA) for AAMP stakeholder engagement-support to NAMC

June 2026 | Draft for Consultation



WHY THIS MATTERS

South Africa's Agricultural Sector at a Glance – Some key drivers

3%

Direct contribution to GDP

8–10% including agro-processing & value chains

800,000+

Formal jobs supported

Plus millions in informal & subsistence farming

R1.155bn

NAMC statutory levy income (2025)

One of SA's funding tools – research, tech, transformation

752 (DOA)

Blended Finance Scheme deals approved

Approved R9,8b; Rxxx deployed, Nov 2022 –

Sources: NAMC 2025 Status of Statutory Measures Report; DALRRD/DLRRD Parliamentary briefings, September 2024.

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The Agricultural and Agro-Processing Master Plan (AAMP) is South Africa's social compact for transforming and growing the agricultural and agro-processing economy



THE CHALLENGE

Fragmentation, Not Scarcity



The challenge is not the absence of capital — it is fragmentation and non-coordination.

Existing mechanisms are extensive but rarely combine into integrated deal structures that work at the scale and speed the AAMP requires.



CASP

~R2bn a year, supporting post-settlement farmers under DoA



Ilima/Letsema

R677m (2025/26) — smallholder production inputs



Blended Finance Scheme

R3.2bn over 10 years; 205 deals approved so far



IDC Agri-Industrial Fund

R1bn+ committed — agro-processing equity & debt



NAMC Statutory Levy System

R1.155bn in 2025, sector self-funded and room for additional leverage



Land Development Support Grant

R320m (2025/26) — DLRRD, separate from DoA



Restitution Discretionary Grant

R3.84bn (2026/27) — Commission on Restitution, DLRRD



Rural Infrastructure Development

R2bn (medium-term) — 212 projects, DLRRD



AfDB & GAFSP BIFT (Global Agriculture and Food Security Program and the Business Investment Financing Track)

\$310m + \$200m+ blended target — growing, but siloed



SECTOR CONTEXT

Priorities for the Way Forward

Beyond financing, stakeholders consistently raise six structural priorities that determine whether capital deployed through this Framework can actually land.



Accelerate land reform

Release the government's roughly 2.5 million hectares of state land with title deeds, speedily, and align farmer development support with land already transferred – inclusion in value chain plans



Fix critical infrastructure

Port inefficiencies (notably Cape Town) and a neglected road and rail network are adding transaction costs across the value chain



Strengthen biosecurity

Plant and animal health is the precondition for market access and export growth



Diversify export markets

Open new markets beyond the region and review SACU, which potential trading partners often see as opaque and unpredictable



Align government coordination; Government and Private sector

Close the coordination gap between DLRRD and DoA, and between national and provincial government, on new entrant support; Need for strong PMU capacity at all levels including the Round tables



Address rural crime, rebuild trust

Rural crime and stock theft are devastating for the sector; persistent mistrust between organised agriculture and government must be addressed

Government's enabling role runs through all six: proactive private-sector engagement, removing input/output market price distortions, and de-risking investment through technology and finance. It is what the ACCV and NRSACF (Sections 4 & 8) are designed to operationalise.



THE FRAMEWORK

Six AAMP Pillars



PILLAR 1

Policy & Investment Enablers



PILLAR 2

Enabling Infrastructure

Largest single allocation: 35%



PILLAR 3

**Farmer Support & Development
Finance**



PILLAR 4

Production, Jobs & Inclusion



PILLAR 5

Market Access & Trade



PILLAR 6

**Agro-Processing &
Industrialisation**



THE FRAMEWORK

A Consolidated Financing Architecture – consideration of innovative models

Three core elements work together to turn fragmented capital into investable, repeatable deal structures.



01

Three-Tier Blended Finance Model

Sequences public grants, DFI capital and private investment at a 1:1:2 leverage ratio.



02

AAMP Capital Consolidation Vehicle (ACCV)

A single coordination layer across existing instruments, providing one application window and standardised deal structures – enable transparency



03

National Risk-Sharing Agricultural Credit Facility (NRSACF)

Systematic de-risking to expand access to finance for smallholders, black producers, women and youth.



CORE ELEMENT 01

Three-Tier Blended Finance Model

TIER 1 · CATALYTIC LAYER

Public Sector · First-loss position

DoA grants (CASP, BFS, AEF, RECAP), DTIC grants, National Treasury guarantees, provincial infrastructure grants

20–50%

TIER 2 · DEVELOPMENT LAYER

DFI Capital · Mezzanine position

Land Bank, IDC, DBSA, NEF, SEFA, AfDB/IFC blended windows, GAFSP BIFT, GCF & Adaptation Fund

30–50%

TIER 3 · COMMERCIAL LAYER

Private Capital · Senior secured position

Commercial banks (ABSA, Nedbank, FNB, Standard Bank), agribusiness equity, off-take agreements, impact investors

20–40%

➔ **Target leverage ratio: R1 Public : R1 DFI : R2 Private — consistent with the GAFSP BIFT structure and the BFS track record.**



CORE ELEMENT 02

ACCV: Coordination, Not a New Bureaucracy – enables transparency; efficiency

WHAT IT SHOULD DO?

- ✓ Single application window, anchored on an e-Services platform – could be Land Bank; how to integrate with private sector platform as well
- ✓ Routes applicants to BFS, Agro Energy Fund, IDC Agri-Industrial Fund and CASP based on eligibility
- ✓ Standardises the public / DFI / private waterfall across all blended transactions
- ✓ Integrates technical assistance (AfDB, GAFSP, AgriSETA, IFC) into every blended deal – inclusion of private sector partners
- ✓ From government and DFI - Land Bank as administrator; IDC as co-investment partner; Need to work in the commercial financing and private equity options; NAMC as independent M&E body



WHAT IT IS NOT

The ACCV is not a unified underwriting platform. It operates as a centralised deal registry and referral mechanism layered over existing institutions; it is not a new institution in its own right.

All participating institutions retain independent credit approval, risk assessment and statutory compliance processes. The ACCV does not replace any institution's mandate. It coordinates them.

Projects must meet agreed criteria and contribute to the transformation agenda and inclusive growth



CORE ELEMENT 03

NRSACF: De-Risking at Scale (National Risk Sharing Agricultural Credit Facility)

OBJECTIVES



Expand access to finance for smallholders, black producers, cooperatives, women and youth entrepreneurs



Reduce lending risk for commercial banks and DFIs to enable participation in AAMP-aligned deals



Provide the credit enhancement needed to unlock private finance for historically excluded producers



Increase financial inclusion across the full agricultural value chain, at scale

INDICATIVE RISK ALLOCATION

Government (Treasury & DoA)

Guarantee letters, first-loss reserves, MTEF allocation

50–70%

Development Finance Institutions

DFI co-guarantee, portfolio risk participation

10–20%

Commercial banks

Residual credit risk, underwriting, loan origination

10–30%

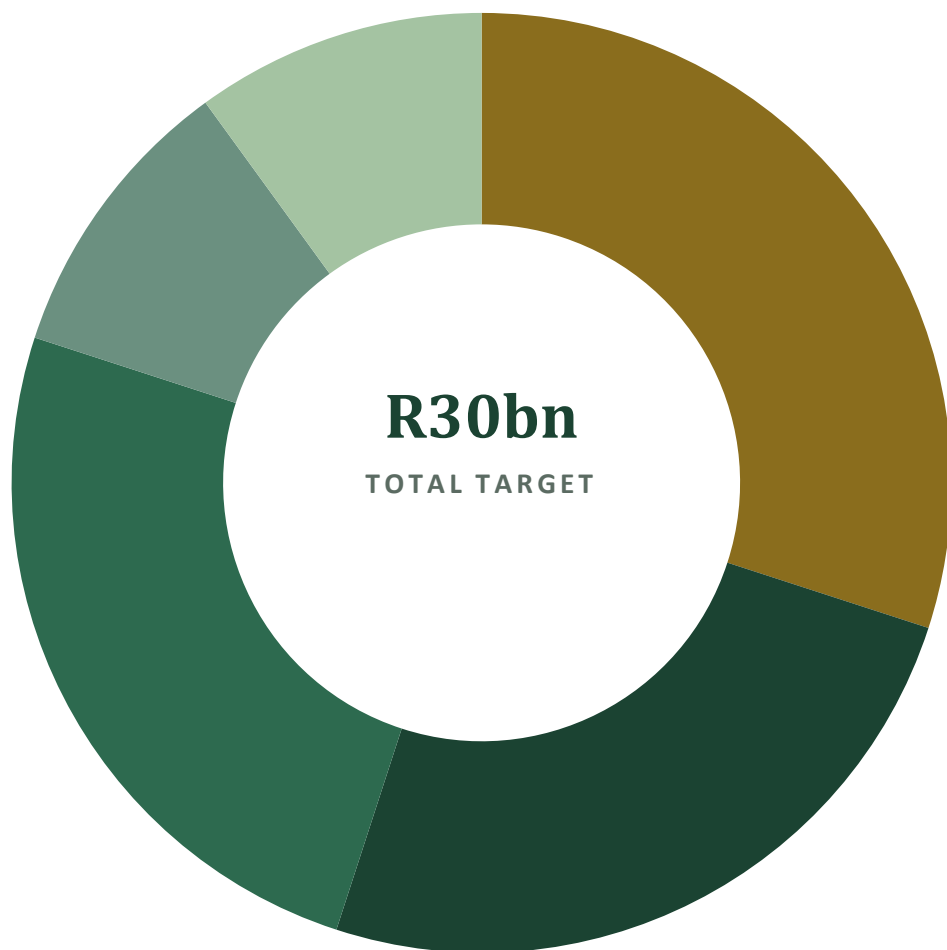


Target leverage: R2 of commercial finance mobilised per R1 of guarantee capacity. Administered by Land Bank or agreed upon entity; NAMC provides independent performance monitoring.



THE TARGET

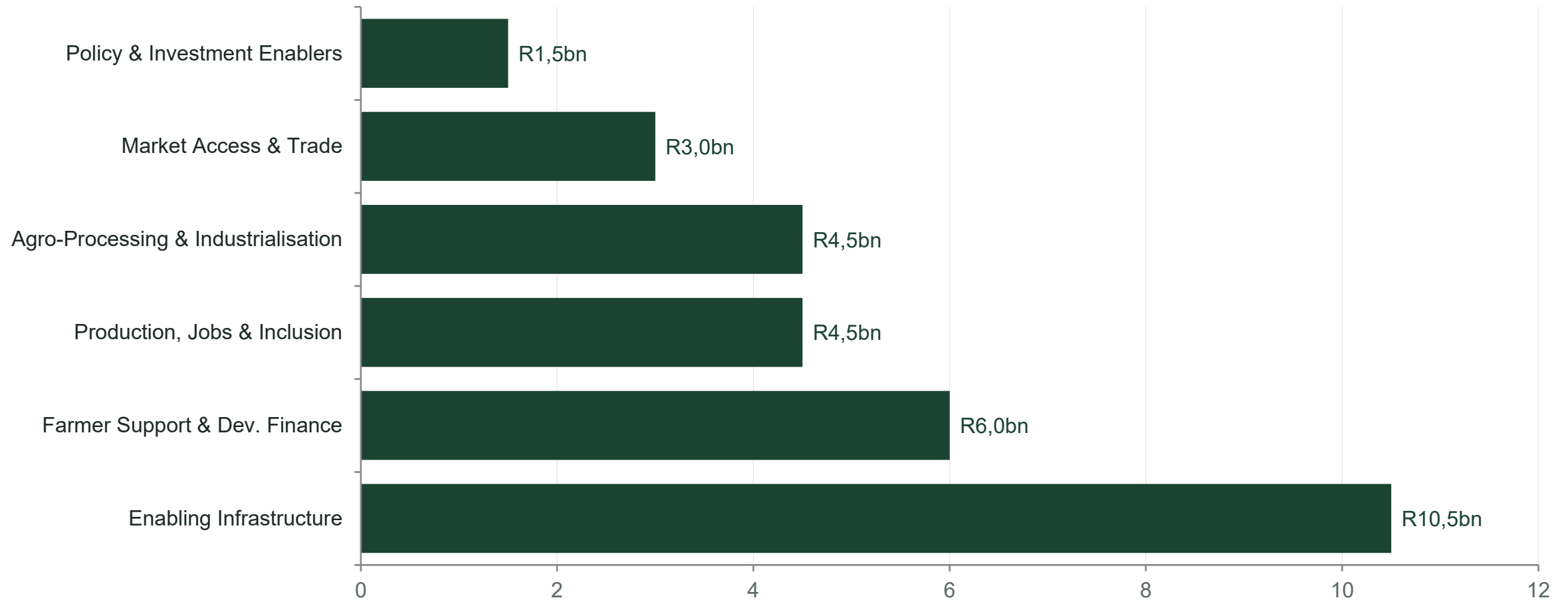
R30 Billion Over Five Years (2027–2032) – average of 30% of need



Private sector Commercial banks, agribusiness equity, impact investors	R9.0bn	30%
Government Grants, guarantees and budget allocation	R7.5bn	25%
Development Finance Institutions SA and international DFIs	R7.5bn	25%
Development partners AfDB, World Bank, IFAD, EU, GIZ, GAFSP	R3.0bn	10%
Climate finance GCF, Adaptation Fund, GEF, green bonds	R3.0bn	10%



Where the Capital Goes: Allocation by Pillar



Infrastructure receives the largest share at 35%, reflecting the logistics, cold chain and water investment needed to unlock downstream private capital.



Three Phases to 2040

PHASE 1

Foundation

2026–2027

- Establish ACCV and AAMP Funding Coordination Unit
- Launch the NRSACF -
- Complete outstanding BFS MoAs – commercial banks
- Inaugural AAMP Investment Conference

PHASE 2

Scaling

2027–2032

- Packhouses, cold chain and logistics investment
- AfDB \$310m and GAFSP BIFT deployment
- Levy transformation spend scaling over the years
- GCF and Adaptation Fund project pipeline

PHASE 3

Transformation

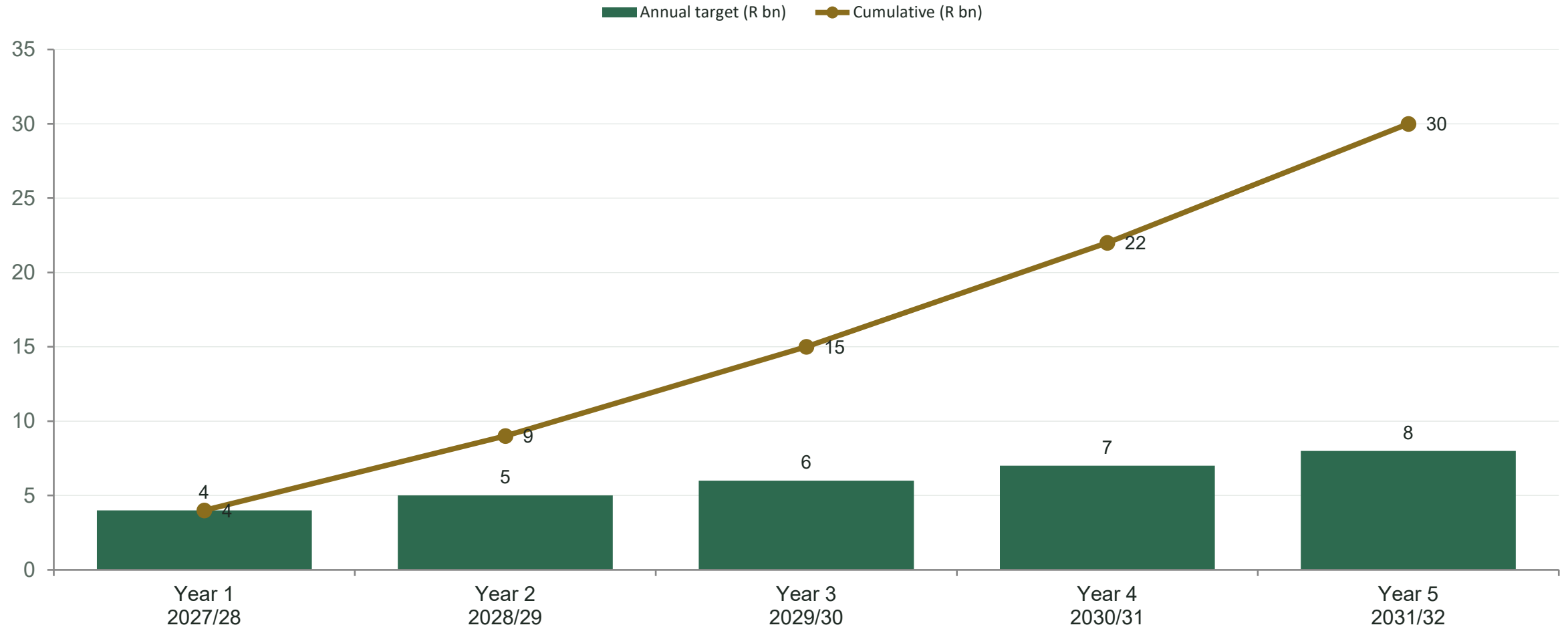
2032–2040

- Large-scale processing and export facilities
- AfCFTA-integrated regional value chains
- Research and innovation platforms scale-up
- Climate-resilient infrastructure at scale



THE TARGET

Five-Year Ramp-Up





INCLUSIVE GROWTH

One Front Door for Transformation Finance – example

NAMC Levy Transformation

R237.5m / yr

Sector self-funded, commodity-specific (2025)



AgriBEE Fund

Variable

National budget, administered by DoA/DTIC with NEF



AAMP Transformation Fund (different depts)

R300–500m / yr

Proposed top-up: fills gaps the other two cannot reach



AAMP INCLUSIVE GROWTH WINDOW (within the ACCV)

Indicative R750m–R1bn / yr consolidated visibility: one application, jointly reported, separately governed

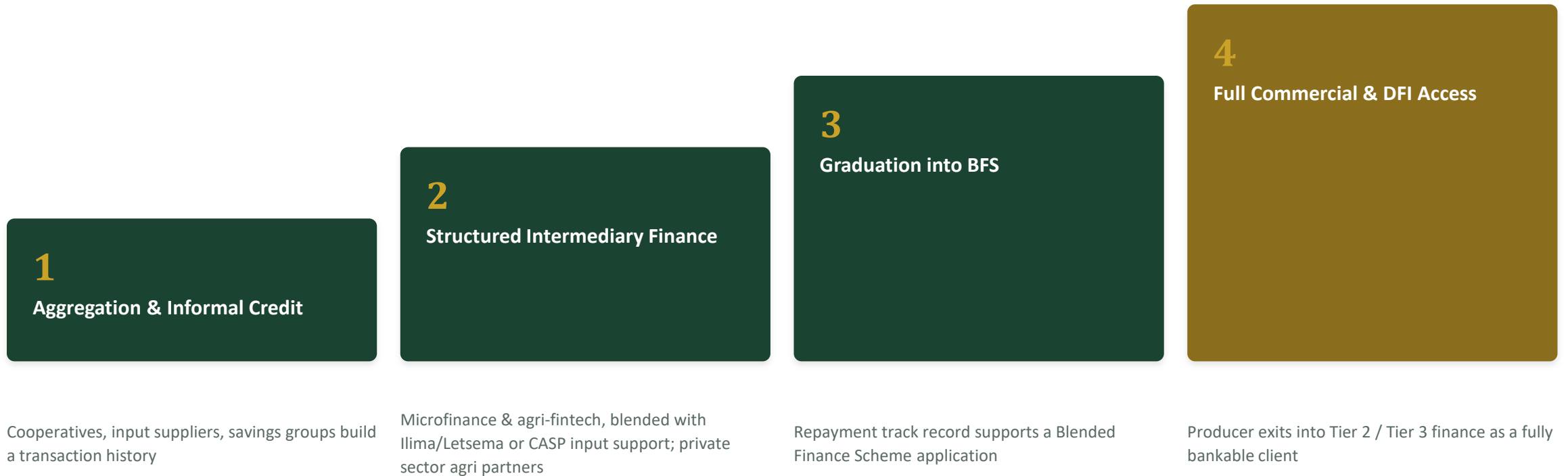
Not a new pool of money, but a coordination layer across three pools that were previously experienced as three separate bureaucracies.

Sits within — not in addition to — the Pillar 3 and Pillar 4 allocations in the five-year mobilisation plan.



INCLUSIVE GROWTH

Bringing Smallholders Into the Formal System





ACCOUNTABILITY

Three Levels of Governance

STRATEGIC

AAMP Steering Committee

DoA, DTIC, National Treasury, Land Bank, IDC, NAMC, Business, Labour, Organised Agriculture – determine who else needs to be included

Sets capital allocation priorities; approves commodity focus; monitors transformation outcomes

OPERATIONAL

ACCV Investment Committee

Land Bank (chair), IDC, DBSA, commercial bank reps, nominated Agri Partners

Approves blended deals; manages the ACCV waterfall; enforces transformation thresholds

MONITORING

NAMC M&E Unit

NAMC (independent)

Quarterly outcome reporting; transformation compliance; annual review to Parliament



The AAMP Funding Coordination Unit (FCU) is the operational hub of the ACCV, acting as the primary day-to-day interface across all three levels.



THE LANDSCAPE

Building on What Already Exists

CASP

~R2bn / yr

Post-settlement farmer support

BLENDED FINANCE SCHEME

R3.2bn / 10yrs

205 deals approved, R1.575bn deployed

AGRO ENERGY FUND

R1.21bn

Solar, irrigation, cold-chain energy

NAMC STATUTORY LEVY SYSTEM

R1.155bn (2025)

Sector self-funded, 20 commodity bodies

AFDB SA PACKAGE

\$310m

Via FirstRand, targeting MSMEs and women agri-entrepreneurs

GAFSP BIFT

\$14m → \$200m+

Blended concessional finance target

AFREXIMBANK ENVELOPE

Proposed R128bn

Announced Feb 2026; trade & project finance

IDC AGRI-INDUSTRIAL FUND

R1bn+

R2.2bn pipeline of 31 transactions

Figures consolidated from the NAMC 2025 Status of Statutory Measures Report, DALRRD/DLRRD Parliamentary briefings, and public announcements by the AfDB and Afreximbank.



WORKING TOGETHER

Who Does What



National Government

DoA, DTIC, National Treasury and DLRRD provide grants, guarantees, fiscal frameworks and land tenure security



Provincial & Local Government

Provincial financing platforms, agro-processing hubs, SPLUMA land-use zoning, municipal site readiness



Development Finance Institutions

Land Bank, IDC, DBSA, NEF, SEFA — concessional capital, mezzanine finance, sector expertise



Commercial Banks

ABSA, Nedbank, FNB and Standard Bank supply senior secured lending, de-risked by Tiers 1 and 2



Development Partners

AfDB, IFC, IFAD, World Bank, EU, GIZ, Afreximbank — concessional capital, TA, climate finance



Agribusiness & Levy Bodies

Off-take agreements, supplier development funds, commodity-specific transformation trusts



What We're Asking of Stakeholders – individual engagements



Confirm institutional co-financing commitments

Multi-year DFI commitments aligned to the ACCV deal pipeline and annual mobilisation targets



Complete outstanding BFS Memoranda of Agreement

other Banks to finalise BFS participation alongside ABSA



Nominate representatives to Value Chain Round Tables

One representative per AAMP-priority commodity to co-develop blended finance structures



Commit to the ACCV single application window

Route new blended deals through the standardised waterfall rather than parallel processes



Pledge at the inaugural AAMP Investment Conference

Showcase the deal pipeline and secure investment and co-financing commitments

NEXT STEPS

From Engagement to Action

- 1 Stakeholder consultation**
This engagement process: confirm commitments and feedback – engage with farmer organisations; value chain round tables; financiers; dfi's – need to ensure we have a clear costed plan that we can track transparently across the industry
- 2 ACCV (Capital Consolidation Vehicle) & FCU (Funding Coordination Unit)**
Stand up the coordination layer as a live institution with a mandate to act
- 3 Inaugural Investment Conference – ways to leverage additional capital**
Showcase the deal pipeline; secure pledges and co-financing commitments
- 4 Phase 1 delivery**
2026–2027: foundation milestones, first capital deployed through the ACCV

Prepared by the Agricultural Development Agency (AGDA) for AAMP stakeholder engagement (support to NAMC)

Thank you.