**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 4464**

**INTERNAL QUESTION PAPER [No 50-2020 SIXTH PARLIAMENT]
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**4464. Ms T Breedt (FF Plus) to ask the Minister of Agriculture, Land Reform and Rural Development:**

1. Whether she will furnish Ms T Breedt with a breakdown of how the R3,2 billion of the Blended Finance Scheme (BFS) launched by her department and the Land Bank to assist farmers, as indicated in the media statement dated 24 October 2022, will be spent; if not, why not; if so, what are the relevant details;
2. what are the requirements to qualify for the BFS;
3. how will the funds be broken down demographically;

 (4) whether she will make a statement on the matter; if not, why not; if so, what are the relevant details? **NW5586E**

**THE MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT:**

1. Yes the Department of Agriculture, Land Reform and Rural Development (DALRRD) has committed R325 million annually for the next three years and has signed an agreement with Land Bank for 10 years, bringing the commitment of DALRDD to not less than R3,25 billion over the 10 year period.

The funds will be used to blend with the loan that Land Bank will issue to black smallholder and medium scale commercial producers at 60% grant for smallholder producers but not exceeding R15 million per transaction and 50% grant for medium scale commercial producers but not exceeding R30 million per transaction.

The Blended Fund facility will be used by the parties to provide loan and grant funding to black producers or majority black owned enterprises for:

* The acquisition of primary agricultural land parcels and/or commercially viable agricultural sector value chain operating entities (agri-businesses);
* Support existing operations for expansion in production on privately owned or land reform farms (Brownfields and Greenfields operations);
* The purchasing of capital equipment and infrastructure (“CAPEX”);
* Working capital and/or production loan (“Production Facility”); and
* Insurance pool provision for subsidisation of insurance cover for the applicable farmers (capped at 6% (six percent) of each total Grant Funding Facility amount).
1. The following are the requirements to qualify for Blended Finance Scheme:
* South African citizens with a valid identity document involved in agriculture or value adding enterprises;
* Black owned and managed farming enterprises that are commercially viable in commodities prioritised in the AAMP, Aquaculture and Forestry;
* In the case of Joint Ventures, the non-black partner should have 40% but not less than 26% ownership in the enterprise;
* Enterprises with 10% Farm worker profit sharing;
* Transactions that are youth owned, women owned or owned by people with disability and military veterans; and
* Qualifying applicants who are 60 years and above but demonstrate evidence of a successor.
1. This is a national scheme accessible to all provinces equally. The scheme is demand driven and will support applicants from all provinces. The steering committee will evaluate the spread of support and address any poor take-up from any province by engaging the bank officials in that province as well as the relevant department of agriculture.
2. No. A statement was made at the launch on 24 October 2022, which was broadcasted in local newspapers and the SABC news.