

Government's R1 billion funding boost for black farmers

By Jeandré van der Walt March 19, 2021 at 2:43 pm



The new R1 billion Agri-Industrial Fund will aim to address the funding constraints faced by black farmers trying to transition to commercial farming businesses. *Photo: FW Archive*

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The Department of Agriculture, Land Reform and Rural Development (agriculture department) has announced the launch of a R1 billion fund for black farmers in partnership with the Industrial Development Corporation (IDC).

During the launch, agriculture minister Thoko Didiza, said the department had identified a lack of financing as a significant hindrance to the commercialisation of black farmers.

"While there are many products on the market it is clear that the funding cost is too high to enable new entrants to access funding and to succeed in their farming operations along the value chain."

The newly launched Agri-Industrial Fund aimed to address the funding constraints faced by black farmers, and to break down the barriers to entry they faced in transitioning to commercial farming, she said.

"Among other objectives, the fund will also be utilised to develop and implement high-impact black-owned [and] large-scale commercial agriculture projects," a statement by the department said.

In addition, the fund would focus on targeted subsectors. "The targeted subsectors would include the establishment of high-value, export-orientated horticulture on community-owned agricultural land [restituted and communal] across the country.

"We would also like to ensure the establishment of competitive contract growers in the poultry value chain. We would also like to look at the [entire] protein value [chain], which is poultry, pork, beef and other related red meat producers," she said.

Didiza added that other ventures that would benefit from the fund included related agriculture and agro-processing ventures that supported the Agriculture and Agro-Processing Master Plan.

"We will soon be finalising the Agriculture Agro-Processing Master Plan. This will be in addition to the poultry and sugar master plans [in] which we have identified funding as one of the critical elements to support development in the [agriculture] sector."

The fund was an initiative of the agriculture department, which would provide the funding, and would be run by the IDC.

farmer's weekly

