Land Bank's R1.2bn solution to transforming South Africa's agriculture

Land Bank launched its R1.2bn Agro Energy Fund (AEF) in 2023 in partnership with the Department of Agriculture, Land Reform and Rural Development (DALRRD).

Source: 123RF.

The AEF is a blended finance scheme, which means it offers a mixture of grant and debt funding. Its objective is to provide funding support for the acquisition of alternative energy assets to assist the industry with energy cost reduction and alleviating the impact of power interruptions on operations.

The scope of the funding is energy-intensive agricultural activities including irrigation, intensive agricultural production systems and on-farm coldchain-related activities.

Through the administration of AEF, Land Bank (with DALRRD's support) aims to give farmers and other agro businesses an opportunity to invest in the future of their businesses in a safe and secure manner.

Not only will they enjoy complete peace of mind and receive value for money, particularly with regard to post-implementation support, but they will also receive guidance and advice throughout the entire process from qualified professionals.

Simplifying energy sourcing

This means farmers and agro businesses will not have to go through the hassle of sourcing their own alternative-energy installers. In this regard, Land Bank has partnered with Avo Solar from Nedbank and Standard Bank Power Pulse, as technical partners to implement the energy alternative assets for its clients.

“We are proud to lead this industry-level collaboration on renewable energy. This partnership with both Nedbank and Standard Bank enables us to take full advantage of the capabilities they have built when it comes to onboarding and vetting service providers.

They both bring the requisite depth and breadth of technical service providers to implement a programme of this magnitude.” Says Themba Rikhotso, Land Bank’s chief executive officer.

“Land Bank has structured its partnership with the two partners such that the applicants can receive the best possible advisory and the best possible quote, wherever they are located, in the country.

"Technical understanding is a key ingredient to ensuring that clients get the right solution for their needs. This is why aggregators such as Avo Solar from Nedbank and Standard Bank (Power Pulse) are very important in the AEF programme,” says Rikhotso.

“Through the services of these two partners, clients can have their energy requirements mapped out to understand, for instance, the estimated costs and savings of a hybrid solar system over time. This provides invaluable insights for informed decision-making.

"We realised the need for this high level of understanding by clients and sought the best technical partners to ensure they are well covered.”