



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF  
AGRICULTURE AND RURAL DEVELOPMENT**

**PRODUCER SUPPORT POLICY**

**Ref:2/6/P**

**2025 Edition**

H. G.  
MA

## Contents

1. ACRONYMS AND ABBREVIATIONS .....	4
2. DEFINITIONS AND INTERPRETATIONS.....	6
Table 1: Description of key words .....	6
3. EXECUTIVE SUMMARY.....	8
4. INTRODUCTION .....	8
5. PURPOSE AND OBJECTIVES OF THE POLICY .....	9
6. AUTHORITY OF THE POLICY .....	9
7. LEGAL FRAMEWORK .....	9
8. SCOPE OF APPLICATION.....	11
9. POLICY PRONOUNCEMENTS .....	11
9.1 General Overview .....	11
9.2 Guiding Principles .....	11
9.3 Target Beneficiaries .....	12
Table 2: Target beneficiaries and minimum requirements.....	12
9.4 Qualifying Criteria.....	15
9.5 Scope of Funding.....	15
9.6 Application Procedures .....	16
9.7 The following models would be considered, based on the nature .....	16
of development: .....	16
10. FUNDING CONDITIONS.....	18
11. RISK AVERSION MEASURES .....	19
12. ROLES & RESPONSIBILITIES .....	20
13. DEFAULT .....	24
14. INCEPTION DATE.....	24
15. REVIEW CYCLE .....	24
16. ENQUIRIES.....	24
Annexure A: Mechanization Support Services .....	26
Background .....	26
Problem Statement.....	26
Desired Outcomes .....	27
Intervention Strategy.....	28

Procurement Model .....30  
Terms And Conditions .....30  
Annexure B: RAAVC Projects Support Approach and Implementation Models 33  
CRITERIA FOR CONSIDERATION OF RAAVC PROJECTS .....33  
WHO CAN APPLY FOR FUNDING FOR RAAVC PROJECTS .....37  
IDENTIFICATION OF RAAVC PROJECTS .....38  
RAAVC PROJECTS FUNDING MODELS .....40  
RAAVC FUNDING FOR NON-INFRASTRUCTURE PROJECTS .....43  
PARTNERSHIPS WITH INDUSTRY STAKEHOLDERS .....44

H.C.  
M.A

## 1. ACRONYMS AND ABBREVIATIONS

ADFSS	Agricultural Development Farmer Support Services
CASP	Comprehensive Agricultural Support Programme
CPA	Communal Property Associations
CPDS	Comprehensive Producer Development Support
CSD	Central Supplier Database
DoA	Department of Agriculture
DSC	District Screening Committee
DWS	Department of Water and Sanitation
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
HOD	Head of Department
LAOAC	Local Agricultural Office Administration Committee
LDP	Limpopo Development Plan
LDARD	Limpopo Department of Agriculture and Rural Development
LEDA	Limpopo Economic Development Agency
MEC	Member of the Executive Council
NDP	National Development Plan
NPCPDS	National Policy on Comprehensive Producer Development Support
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PCP	Producer Commercialisation Programme
PDPs	Previously Disadvantaged Producers
PDIs	Previously Disadvantaged Individuals

*Handwritten initials/signature*

PFMA	Public Finance Management Act
POC	Project Oversight Committee
POPIA	Protection of Personal Information Act
PPAP	Provincial Project Assessment Panel
PPMT	Provincial Project Management Team
PSP	Producer Support Policy
PSSC	Provincial Shared Services Centre
PTO	Permission to Occupy
RAAVC	Revitalization of Agriculture and Agro-processing Value Chain
RESIS	Revitalization of Small-scale Irrigation Schemes
RSA	Republic of South Africa
SLA	Service Level Agreement
SARS	South African Revenue Services
SONA	State of the Nation Address
SOPA	State of the Province Address
UN	United Nations

M.G.  
M.A.

## 2. DEFINITIONS AND INTERPRETATIONS

Table 1: Description of key words

Key Words	Interpretations
Department	At all times when used shall refer to the Limpopo Department of Agriculture and Rural Development and its officials.
Designated group	Women, Youth, People with disability and military veterans
District (s)	Office(s) of the Limpopo Department of Agriculture and Rural Development physically located within the five districts of the province and officials appointed to execute functions of the Department.
District Directors	Head of the district office of LDARD
Financial institutions	Both registered private and public providers of financial services provide loans, subsidies and/or grants for purposes of agri-business development and agricultural production.
Unemployed Graduates	Qualified unemployed graduates in agriculture-related fields aspiring to venture into entrepreneurial projects related to agriculture production and value chain
Youth	Young people falling within the age of 18 to 35 years.
Military Veterans	Individuals in South Africa who served in the country defence forces including those from statutory and non-statutory forces and meet the criteria in the Military veterans Act and also be listed in the National Military veterans database.
Juristic person	Defined as a social entity, community or an association of people which has an independent right of existence under the law.
Lease agreement	Legally binding agreement between lessor and lessee that outline the terms and conditions. which includes the duration of agreement preferably a minimum of seven (07) years for infrastructure support
Own contribution	Refers to the resources that an applicant should contribute into the process to form part of the whole capital package, viz own contribution + grant. This can be monetary, in kind (e.g. property, machinery, equipment and livestock) or using labour.
Public Servants	Refer to any persons employed by the Government of the Republic of South Africa, including public representatives at the national, provincial or municipal levels; who are recognised under any legislation; an employee of any company or entity where the state is a majority shareholder. Public representative at national and local level shall only qualify for agricultural support in line with this policy after 12 months of terminating the relationship that had created a public duty.

Key Words	Interpretations
<b>Producer</b>	Individual or entity that engages in agricultural activities along the value chain either on full-time or on part-time basis but who derives most of the income from these activities.
<b>Household Producer (Vulnerable)</b>	Is defined as a producer or entity that produces primarily for household consumption and has limited resources and skills to operate a market-orientated production system. This category includes households producing in communal land and commonages that are <u>registered as indigent</u> , or they meet the criteria for registration as indigents with their municipality This fall within schedule 1 water use authorization in terms of National Water Act (No 36 of 1998)
<b>Household Producer (Subsistence)</b>	Is defined as a producer or entity that produces primarily for household consumption. These producers are <u>not or would not be classified as indigent</u> by their municipality. They may market limited surplus production with an annual turnover of less than R 50 000. This fall within schedule 1 water use authorization in terms of National Water Act (No 36 of 1998)
<b>Small-holder producer</b>	Smallholder producer is defined as a producer or entity that produces (at primarily, secondary and tertiary for household consumption and markets, therefore farming is consciously undertaken in order to meet the needs of the households and derive a source of income. These are usually the entrants aspiring to produce for market at a profit with a maximum annual turnover ranging from R50 001 to R 1 million per annum. Smallholder producer falls within the General Authorization in (GA) as per Government Gazette Notice 398 of 26 March 2024.
<b>Medium Scale Commercial Producer</b>	Medium Scale Commercial Producer is defined individual or entity that produces and sell agricultural commodities for the purpose to make a profit. These are established enterprises producing for the market to make a profit with an annual turnover ranging from R1,000,001 to R10 million and are eligible for VAT registration. Requires a water use license authorization in terms of section 40 of the NWA as defined in section 21 of the NWA except those which fall under existing lawful use.
<b>Large Scale Commercial Producers</b>	Large scale commercial producer is defined as an individual or entity that produces and sells agricultural commodities for the purpose to make a profit. These are established enterprises producing for market to make a profit with an annual turnover ranging from R10,000,001 to 50 million. Requires a water use license authorization in terms of section 40 of the NWA as defined in section 21 of the NWA except those which fall under existing lawful use.
<b>Functional Cooperative</b>	Cooperatives established for purposes of conducting agricultural businesses and using a cooperative model, in accordance with the Cooperatives Act, Act 14 of 2005.

Key Words	Interpretations
<b>Mega/Corporate Producer</b>	Mega/corporate producer is defined as an individual or entity that produce and sell agricultural commodities for the purpose to make a profit. These are established enterprises producing for the market to make a profit with an annual turnover above R50 million. Requires a water use license authorization in terms of section 40 of the NWA as defined in section 21 of the NWA, except those which fall under existing lawfully use
<b>Capital Project</b>	is a long-term investment project where an organization allocates significant resources to build, improve or maintain major assets. These assets usually have a useful life of many years in it lasting value to the business or community.
<b>Indigent</b>	A person or a household that is extremely poor and lacks the financial means to meet the basic needs.

### 3. EXECUTIVE SUMMARY

LDARD is grappling with challenges which impact negatively on the food security of the province. Development of a producer support policy is necessary to ensure all the producers receive a comprehensive support to contribute towards the economic growth of the Province. The overall purpose of this policy is to improve systems and processes necessary to ensure an integrated, efficient, and effective support to agricultural producers across the value chain, through a uniform and standardized approach that will eliminate duplication and fragmentation of services and resources. This policy provides the targeted beneficiaries, qualifying criteria, scope of funding, and guiding principles for effective and efficient intervention to producers.

### 4. INTRODUCTION

The Limpopo Department of Agriculture and Rural Development (LDARD)'s Producer Support Policy (PSP) serves to guide the process of funding support for producers. LDARD is grappling with challenges which impact negatively on the food security of the province. The major challenges are to maintain increased and sustained levels of food security in the province through sustainable production of strategic commodities, the province is mainly a rural province, and the agricultural sector is one of the main sources of livelihood for majority of citizens who relies on the sector for their survival and the province is prone to natural disasters that negatively impacts on food production.

Therefore, a development of a producer support policy is necessary to ensure all the producers receive a comprehensive support to contribute towards the economic growth of the Province. The department will support commodities of strategic significance to the province and those commodities which are aligned to Limpopo Development Plan (LDP). The policy outlines the target group,

M.A.T.J.

application procedures, selection criteria, and coordinating teams amongst others. The Department is utilizing the following funding sources for producer support Agricultural Support Program (CASP), Ilima-Letsema, Land Care and Extended Public Works Program (EPWP) incentive grant

## **5. PURPOSE AND OBJECTIVES OF THE POLICY**

### **Purpose**

The overall purpose of this policy is to improve systems and processes necessary to ensure an integrated, efficient, and effective support to agricultural producers across the value chain, through a uniform and standardized approach that will eliminate duplication and fragmentation of services and resources.

### **Objectives**

The following are the objectives of the policy:

- i) To provide a comprehensive framework to support the development of producers in the agricultural sector value chain.
- ii) To improve transparency and fairness in the systems and processes for producers in the value-chain to access support, through a uniform and standardized process across the funding programmes of the department
- iii) To set a framework for grants threshold per producer category.

## **6. AUTHORITY OF THE POLICY**

This Policy is issued under the custodianship of the Member of the Executive Council (MEC) as Executive Authority and the Head of Department (HOD) as Accounting Officer.

## **7. LEGAL FRAMEWORK**

The supporting Legislation and Policies include:

- I. Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
  - i. Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993) as amended
  - ii. Division of Revenue Act, 2025 (Act no 5 of 2012) as amended
  - iii. White Paper on South African Land Policy, 1997
  - iv. Integrated Sustainable Rural Development Strategy

- v. Public Finance Management Act, 2002 (Act No, 1 of 2002) as amended
- vi. National Development Plan, Vision 2030
- vii. MTSF Priorities 2020 – 2025
- viii. Limpopo Development Plan, review draft, 2020 — 2025
- ix. LDARD Strategic Plan, 2020 – 2025
- x. LDARD RAAVC Plan, 2021
- xi. National Comprehensive Producer Development Support Policy
- xii. Industrial Policy Action Plan, 2014
- xiii. Agricultural Policy Action Plan, 2014
- xiv. National Food and Nutrition Security Policy, 2013
- xv. Limpopo Agro-processing Strategy, 2012
- xvi. Comprehensive Agricultural Support Program, 2004
- xvii. Public Finance Management Act, Act 1 of 1999
- xviii. Promotion of Access to Information Act 2 of 2000
- xix. Protection of Personal Information Act 4 of 2013
- xx. Promotion of Administrative Justice Act 3 of 2000
- xxi. Preservation and Development of Agricultural Land Act 39 of 2024
- xxii. Marketing of Agricultural Producers Act 47 1996
- xxiii. Amended AgriBEE Sector Code 2017
- xxiv. Land and Agricultural Development Act 15 of 2002
- xxv. Integrated Growth and Development Plan (IGDP) For Agriculture Forestry and Fisheries 2012
- xxvi. National Policy on Extension and Advisory Services
- xxvii. Skills Development Act 97 of 1998
- xxviii. Restitution of Land Rights Act 22 of 1994

M A 2.5

## 8. SCOPE OF APPLICATION

The policy is applicable to all officials within the LDARD who are operating within the scope of the Policy

## 9. POLICY PRONOUNCEMENTS

### 9.1 General Overview

Land and Agriculture Policies are thus designed to accommodate this diversity of production to reverse the destruction of black farming in South Africa that occurred as a deliberate act of policy over the past century.

There is much evidence from Africa and other parts of the world that small and medium-scale farming can be highly efficient, can compete successfully in national and international markets, and can create more employment.

This creates a major challenge for all in the sector to ensure that new entrants into agriculture have access to the productive resources and services needed for success. In future, much greater priority in allocating public funds for the sector will be given to promoting new entrants, supporting the rural poor and providing services that assist their upliftment.

### 9.2 Guiding Principles

Support to producers would be guided by the following principles:

- a. **Equity:** support should prioritise the designated groups, i.e. women, youth, people with disabilities and military veterans.
- b. **Economic viability:** Commercial projects should demonstrate economic viability, efficiency and with limited dependence on the Department/Government.
- c. **Value for money:** government investment must be based on evidence of the output expected from the support requested, i.e. the amount of land under production, agricultural output, return on investment and job creation.

### 9.3 Target Beneficiaries

The policy is targeting land reform beneficiaries, producers on communal land with Permission to Occupy (PTO) tenure arrangement, and person/s who bought land privately or leasing land who are engaging in agriculture activities. These beneficiaries are therefore, regarded as producers and categorised as follows subsistence, smallholder, medium commercial or large commercial producers.

Table 1 describes the description of key words and their interpretations while table 2 indicates the target beneficiaries and the minimum requirements. The department will from time to time indicate the acceptable contribution and threshold limit of each target client in line with Annexure A of this policy.

**Table 2: Target beneficiaries and minimum requirements**

TARGET BENEFICIARY	REQUIREMENTS
Household producers (vulnerable)	<ul style="list-style-type: none"> <li>a) Certified identity document</li> <li>b) Completed application form.</li> <li>c) Secure land tenure (Lease, PTO or Title Deed)</li> <li>d) Completed declaration form to confirm that they are in the indigent register</li> </ul>
Household subsistence (Producers)	<ul style="list-style-type: none"> <li>a) Certified identity document</li> <li>b) Completed application form</li> <li>c) Secure land tenure (Lease, PTO or Title Deed)</li> <li>d) Completed Declaration form to confirm that they are not indigent</li> <li>e) Affidavit that they generate less that R 50 000 per annum</li> </ul>

TARGET BENEFICIARY	REQUIREMENTS
Small-holder producers	<ul style="list-style-type: none"> <li>a) Secure land tenure (lease, P.T.O or title deed)</li> <li>b) Certified copy of identity documents of all members (not older than three months)</li> <li>c) Completed and signed Farmer Support application form</li> <li>d) Company registration documents</li> <li>e) Letter of company executor/ resolution of the board of Directors</li> <li>f) Valid Company Tax clearance certificate added advantage</li> <li>g) Completed business case</li> <li>h) Attach proof of farming income</li> </ul>
Medium Scale Commercial producers and Large-Scale Commercial producers	<ul style="list-style-type: none"> <li>a) Secure land tenure (lease, P.T.O or title deed)</li> <li>b) Certified copy of identity documents of all members (not older than three months)</li> <li>c) Completed and signed Farmer Support application form</li> <li>d) Company registration documents</li> <li>e) Letter of company executor/ resolution of the board of Directors</li> <li>f) Valid Company Tax clearance certificate</li> <li>g) Completed business case</li> <li>h) Signed Terms and Conditions</li> <li>i) Audited financial statements</li> </ul>

T.G.  
M.A

TARGET BENEFICIARY	REQUIREMENTS
Catalytic Projects Annexure B	<ul style="list-style-type: none"> <li>a. Completed farmer support application form</li> <li>b. Assessment report / feasibility study</li> <li>c. Proof of company registration document</li> <li>d. Company memorandum of Association</li> <li>e. Clear proof of consent form from the shareholders</li> <li>f. Completed business concept</li> <li>g. Proof of own contribution. Own contribution may be financial or in kind.</li> <li>h. Secure land tenure</li> <li>i. Proof of the existence of a functional governance structure and operation, as well as an office</li> <li>j. List of all beneficiaries with identity numbers, full names, contact number and physical address and gender categorisation</li> <li>k. Audited financial statement if the company has been in existence for more than a year</li> <li>l. Valid company tax clearance certificate will be added advantage.</li> <li>m. Proof of administration and technical expertise for supporting the type of support applied for.</li> <li>n. Proof of partnership agreement where applicable</li> <li>o. In case the support is non-infrastructure related</li> <li>p. (see Annexure D), a Cover Letter will accompany the Application Form the Cover Letter will provide information on the project on matters not covered in the Application Form</li> </ul>

## 9.4 Qualifying Criteria

All producers who are South African citizens operating in properties acquired through various land reform programs and producers operating on state land including communal land as well as those operating on privately acquired land.

Applicants shall be the citizens of the Republic of South Africa who are 18 years and above.

Applicants must have capacity to enter contractual obligations.

This policy or any funding program governed by this policy shall not support any public servant in accordance with PFMA.

The unemployed graduate/s who participated in the departmental graduate placement programme, will be given first preference should they meet all qualifying criteria.

### 9.4.1. Exclusions

The following categories/person(s) are not eligible for grant funding in any programme under this policy:

- a. Foreign nationals
- b. Employees from all three spheres of government (national, provincial and municipal level). This is not applicable to traditional leaders.
- c. Politicians, who hold public office.
- d. Employees of state-owned enterprises (SOE`s) that are implementing agricultural programs.
- e. Employees of all organisations serving as fund administrators for agriculture programme at the local provincial and national level.
- f. Dual citizenship including those who hold public office in foreign countries.

## 9.5 Scope of Funding

The department provides funding opportunities to producers through several programmes, therefore funding guidelines for each program shall also form part of this policy. The areas of support covered by the Department include the following:

9.5.1 On-farm infrastructure Development - this may include construction of new and renovation or rehabilitation of existing infrastructure for agricultural development.

9.5.2 Off-farm infrastructure — include infrastructures constructed to support farm production

- 9.5.3 Production inputs
- 9.5.4 Mechanisation Support
- 9.5.5 Marketing activities
- 9.5.6 Capacity building of producers and farm workers
- 9.5.7 Provision of land-care and EPWP support.
- 9.5.8 Provision of Security to the infrastructure put up by the department (LDARD) before it is handed over to the beneficiaries, analysis must be conducted, and due approval must be sought before provision is made.
- 9.5.9 Provision of electricity during construction of infrastructure and other cases where there is disruption of production, analysis must be conducted, and due approval must be sought before provision is made.
- 9.5.10 RAAVC funding for catalytic project.

## **9.6 Application Procedures**

The application procedures are as follows:

- 9.6.1 Application process will open annually as determined by the Department
- 9.6.2 The application forms will include priority commodities, criteria, and other related factors.
- 9.6.3 Fully signed and completed application forms with required attachments shall be submitted at the Local Agricultural Municipal Office or District office where the farm or property is located.
- 9.6.4 Only applications received on or before the closing date shall be considered.
- 9.6.5 The criteria set in the application form shall not be the only determining factor for Household producer (vulnerable) due to their peculiar situation.

## **9.7 The following models would be considered, based on the nature of development:**

- 9.7.1 Mechanisation Subsidy

The Department provide producers with subsidized mechanization support. The support package will include one tractor and maximum of 4 (four) implements. The Department will do assessment and further advise the applicant on what is possible and approved. The Department is responsible for 80% of the value of the tractor up to R 1 million and 80% of implements not exceeding R 400 000. Refer Annexure A

#### 9.7.2 Blended Funding Model

Government has overtime prioritised financing of agricultural development through different forms of support, however government resources are being constrained by other public spending pressures. Blended funding model would be explored, whereby government leverage private sector funding for development and commercialisation of producers, and within the PFMA prescripts.

#### 9.7.3 Co-funding with DFIs

Development Finance Institutions and Operating Investment partners are key deal originator and funding partners. The operating partner takes financial and business risk as a technical implementing/ management partner.

#### 9.7.4 Voucher system for production inputs

The Department may have a dedicated list of suppliers in the database with agreed prices per items. The suppliers will be encouraged to do bulk purchase of production inputs and will package according to individual needs. Once an application is duly approved by the Department, the applicant would be informed through a letter which states the amount and list of production inputs approved.

The Voucher would then be issued with a specific expiry date. The voucher would not be exchanged for cash or any other item. The applicant must utilise the voucher as prescribed.

#### 9.7.5 Direct funding

The policy proposes the introduction of grant holding bank account which shall be opened by the producer with any of the various approved financial institution that the Department shall have partnered with through a service level agreement.

### 10. FUNDING CONDITIONS

A broad consideration of factors shall be taken into consideration. Department funding is not a right but a means to encourage citizens to be self-sustainable and self-reliant. Once the agreed activities are completed as per approved specification, the department shall utilize any portion of remaining funds to support other deserving applicants. Beneficiaries or applicants have no right to claim the savings from allocated budget for development of additional works or activities which were not budgeted for nor approved.

The following shall be highly considered when applications are evaluated:

- 10.1 With the exception of strategic projects all applicants are expected to complete the prescribed application forms in detail.
- 10.2 Security of tenure arrangements (short term lease agreement must not be up to ten (10) years and long term lease agreement must be up to thirty years(30) particularly where infrastructure is going to be installed or constructed. Lease agreement must be made available with the application.
- 10.3 Willingness of the applicants to contribute to the development.
- 10.4 The policy shall give preference to designated group (women, youth, persons with disabilities and military veterans)
- 10.5 In certain instances, the Department may initiate agricultural development on behalf of producers, beneficiaries, and institutions that seeks to stimulate agricultural production, improve food security and access to market or trade. This may include Non-profit

organisations(Early Childhood Development Centres and Agricultural schools) In this case, the initiating directorate must ensure proper consultation with the affected stakeholders.

- 10.6 Only producers who are registered in the producer register database will be eligible for support
- 10.7 Upon approval the Department will determine the procurement procedures in line with PFMA
- 10.8 The Executive Authority reserves the right to deviate from the policy pronouncements to address pressing needs in the spirit of accelerating agricultural development.
- 10.9 All business plans must include an exit strategy with clear time frames that illustrate a proper handover and the sustainability of the enterprise with limited or no state support. Producers will be funded in line with the approved business plan for their financial needs for a maximum period of five years. However, the graduation principle allows for producers to graduate within the five-year period from one category to the other therefore qualifying for support under the new category without a waiting period. Factors beyond the producer's control should be reported as these might affect their predetermined exit strategy. Non-financial support will be provided in perpetuity in line with applicable policies and legislations.

## **11. RISK AVERSION MEASURES**

- 11.1 Due diligence shall be conducted to determine the cost benefit analysis of the support to be provided
- 11.2 Approval of producer support should be preceded by or linked to a training or mentorship program. The applicant must indicate willingness to be trained. The Department may determine training packages necessary for applicants prior funding approval.

- 11.3 All approved applicants shall sign an agreement with the Department stipulating the applicant's and Department's obligations. Agreements will be applicable to capital projects.
- 11.4 In an occasion of emergency intervention which requires immediate response to the unforeseen circumstances which led to total loss of production, markets and jobs or income that will cause a producer's liability to return to production, Project Oversight Committee (POC) shall recommend to the Accounting Officer for approval.
- 11.5 In case of disaster, the department will follow a process prescribed in the Disaster Management Act, 57 of 2020.

## 12. ROLES & RESPONSIBILITIES

### 12.1 Assessment Structures

The following structures shall be responsible for the screening and adjudication of applications: Local Agricultural Office Administration Committee (LAOAC); District Screening Committee (DSC) and Provincial Project Assessment Panel (PPAP)

### 12.2 Local Agricultural Office Administration Committee (LAOAC):

- a) The District Director or delegated person shall appoint LAOAC members.
- b) The Local Agricultural Manager shall assume the chairpersonship of the committee.
- c) The Chairperson shall appoint the secretariat, whose sole responsibility shall be to record all the activities and proceedings of the committee.
- d) All the Service Centre Heads will form part of the committee, together with various heads of units or sections.
- e) The committee will screen and assess all the administration compliance of all received applications and develop a database according to the prescribed format.
- f) The committee shall nominate relevant teams to visit the site for verification and complete the farm assessment form.

- g) The Chairperson will request DSC sitting by submitting (1) a list of applications to be screened including, the non-qualifying applications, (2) minutes of the LAOAC sitting, (3) completed farm assessment form, (4) signed memorandum providing details of the projects and recommendations of the LAOAC for DSC consideration. The LAOAC secretariat shall ensure that all the documents are properly prepared and submitted on time (within 5 days after the LAOAC sitting) to the DSC Secretariat.
- h) The LAOAC must also provide feedback to the applicants once the decision is taken.
- i) LAOAC does not have right to disqualify any application.

### 12.3 District Screening Committee (DSC):

- a) Director responsible for the districts or delegated person shall appoint all members of the DSC.
- b) The Chairperson of the DSC shall be the District Director or delegated person.
- c) The committee shall comprise of various agricultural disciplines as deemed necessary. The Committee may further include other key external stakeholders for advisory and observation purpose.  
This would include but not limited to District Local Municipality representative (LED office), Registered and recognised Producer Organizations, Registered and recognised Commodity Associations and Other relevant members may be co-opted from time to time. Members of the DSC shall be a minimum of ten and maximum of twenty.
- d) The functions and responsibilities of the DSC are as follows:
  - i Assess and score all the applications received and supported by LAOAC memorandum.
  - ii Evaluate and score applications according to a set of criteria,
  - iii Notify successful applicants once a decision has been made by funding authorities,
  - iv Recommend for the approval of applications.
  - v Record all unsuccessful applications indicating reasons.
  - vi Communicate to all successful applicants (proof of communication must be kept for record purposes).
  - vii May nominate team to meet with applicants or do farm visits for verifications, prior to any decision.

viii May determine type of funding the applicant may receive. This may include activities not mentioned by the applicant/s, which are found necessary for the operation of the farm unit.

12.4 Secretariat of the DSC duties and responsibilities include:

- a) Receive all required documents from LAOAC before requesting DSC sitting.
- b) Record and open file in line with registry regulations.
- c) Facilitate the registration of successful applicants in the farm register with relevant municipalities.
- d) Write response letters to the successful applicants.
- e) Record all adjudication proceedings including the outcomes.

Submit all the documents for adjudication to PPAP Secretariat within 5 days after screening by the DSC.

12.5 Provincial Projects Assessment Panel (PPAP):

- a) The Head of Department or delegated person shall chair the PPAP.
- b) Projects Coordination Unit shall provide secretariat function for the PPAP.
- c) The PPAP may also co-opt other role players relevant for various agricultural industries. All members of the team shall receive appointment letters signed off by the Head of Department. The PPAP shall be constituted by a minimum of five members and maximum of fifteen.

12.6 Functions and responsibilities of PPAP are as follows:

- a) Assess and evaluate the District presentations. District Directors or nominated official is expected to present to the provincial panel a consolidated District Business plan.
- b) Evaluate infrastructure readiness for procurement purpose. The recommended projects for the financial year in question should be

having all the specification and designs that support the terms of reference agreed upon with the beneficiaries and draft tender document. The proposed budget must be supported by the estimated budgets.

- c) Recommend to the Head of Department to consider the recommended application to relevant funding organization for final approval.
- d) May nominate a team to visit applicant/s in collaboration with the district for verification purposes.

12.7 Functions of PPAP Secretariat:

- a) Record all the meeting proceedings
- b) File all applications from the districts
- c) Open files in line with the Registry guidelines
- d) Consolidate all applications
- e) Facilitate the development of a provincial business plan.

12.8 Communication of the outcomes/feedback to the applicants

- a) Feedback to the applicants shall be done after approval by National Assessment Panel sitting.
- b) LAOAC shall be responsible to provide such feedback.
- c) Successful applicants shall be informed in writing. Correspondence will be limited to successful applicants, due to the large number of applications we envisage to receive and if you have not heard from us within 90 days of the closing date, please accept that your application has been unsuccessful.

However, should there be any dissatisfaction, applicants are hereby advised to, within 90 days, request reasons from the Department for any administrative action which has adversely affected them in terms of section 5(1)(2) of the Promotion of Administrative Justice Act 3 of 2000.

12.9 Communication of the Policy will follow standard Policy framework

### 13 DEFAULT

Failure to comply with the provision of this policy will be dealt with in terms of the Public Service Code of Procedures as amended.

### 14 INCEPTION DATE

The inception date of this policy is thirty (30) days after approval by the Executive Authority (EA).

### 15 REVIEW CYCLE

This policy will be reviewed after thirty-six (36) months, unless material conditions for termination / review arise.

### 16 ENQUIRIES

Enquiries with regards to any matters relating to this policy shall be directed to:

Limpopo Department of Agriculture and Rural Development:

Private Bag X 9487, POLOKWANE, 0700

Tel: 015 294 3000

Agricultural Development and Farmer Support Services (ADFSS) Chief Directorate is responsible for reporting towards oversight bodies in the event of enquiries with regards to this Policy.

#### Recommended:




Mashamba M. A  
Head of Department

12/09/2025

Date

#### Approved:



Ms. Nakedi Grace Kekana, MPL  
Member of the Executive Council

12/09/2025

Date

# ANNEXURE "A"

Πε. Μ.Α

## **Annexure A: Mechanization Support Services**

**Purpose:** To provide a comprehensive mechanization support packages to previously disadvantaged producers within Limpopo Province.

**Target group:** Previously disadvantaged producers who qualified in terms of all stipulated criteria.

### **Background**

It came to the attention of the Department during the implementation of Producer Support Policy (PSP) that provision of mechanization service to subsistence producer's category is not enough considering several smallholder producers that plant throughout the year.

The Department has received several applications requesting amongst others procurement and delivery of tractors and implements. The FSP did not explicitly make a provision to support applicants with such items. The policy did not also provide how the department should process or access such applications. This annexure seeks to provide processes and procedures that guide the processing and assessment of applications who need tractors and related implements.

### **Problem Statement**

It is acknowledged that a deficit of traction power amongst the black rural producers of the Limpopo Province, is evident by the largest land being fallowed every season. Observation indicates that it is not only the inaccessibility of financial support for production inputs (fertilizers, seeds, chemicals and labour wages) that compel rural small-scale producers to fallow land but largely due to lack of access to mechanized traction to capitalize on moisture availability and suitable climatic factors for good seedbed preparation and seed germination.

Due to the smallholder producer's nature of the land holdings, it is obvious that income from farming activities alone cannot justify the repayments of mechanized traction power. This limits the productivity (crop yields and size planted) of the land in black rural producers as producers cannot afford to buy mechanization.

Mechanisation Support Services offer ploughing, planting, ridging, ripping and disking services but some of the cultural practices e.g.

719

spraying and harvesting are not covered, and the program is also seasonal. This addresses both dryland and irrigation needs for both subsistence and smallholder producers.

There are crops which require frequent mechanization services such as spraying, baling of fodder, harvesting and these projects are not fully assisted by the current mechanisation services. Rural producers face many constraints, inter alia: inaccessible finance for production inputs, poor information for decision making and lack of working tools to execute basic farming activities. This scenario makes them unproductive and therefore, cannot be profitable. It is upon this basis that a comprehensive producers support mechanization packages be in cooperated in the Producer Support Policy. The packages include Mechanization Support Services, Subsidized Comprehensive Mechanization Support Packages to qualifying producers and Government Driven

Mechanization Support Packages objectives:

- Increasing productive investment infrastructure in agriculture in rural areas,
- Empowerment of agribusiness rural entrepreneurs,
- Broadening access to mechanized traction power to qualifying producers,
- Commercialization of previously disadvantaged producers,
- To improve the overall productivity and profitability of rural farming entrepreneurs by:
  - Reducing the drudgery of farm work,
  - Increasing the timeliness and quality of work undertaken
  - Increasing the capital and net worth of rural agribusiness entrepreneurs by providing support for acquiring working tools,

### **Desired Outcomes**

- Sustainable demand- led mechanization services to producers in the province.
- Accessibility and affordability of mechanization to smallholder producers in the province.

## Intervention Strategy

- Provision of comprehensive mechanization support packages to qualifying producers according to the below categories and support packages:1  
Government Mechanization Support Packages: The service includes provision of mechanization service to qualifying applicants mainly as part of food security initiatives. This support is provided through government fleet tractors and implements. This support covers all subsistence and smallholder's producers not approved for subsidized mechanization support.
- Private Mechanization Support Services  
The service includes provision of mechanization service to qualifying applicants mainly as part of food security initiatives. This support is provided through private fleet tractors and implements. This support covers all subsistence and smallholder's producers not approved for subsidized mechanization support.

Categories	Qualifying in criteria	Support package
<b>Household producer (Vulnerable)</b>	The applicant should have qualified in terms of this policy.	Provision of mechanization services as defined in the standard operating procedure
<b>Household producer (Subsistence).</b>	The applicant should have qualified in terms of this policy.	Provision of mechanization services as defined in the standard operating procedure
<b>Smallholder producer</b>	The applicant should have qualified in terms of this policy.	Provision of mechanization services as defined in the standard operating procedure.

71.9-

- Subsidized Mechanization Support Packages

The Department provide producers with subsidized mechanization support. The support package will include one tractor and maximum of 4 (four) implements. The Department will do assessment and further advise the applicant on what is possible and approved. The Department is responsible for 80% of the value of the tractor up to R 1 million and 80% of implements not exceeding R 400 000.

Producers will be subsidized as per table below:

The Department will contribute 80% percentage allocation as a subsidy towards procurement of one tractor not exceeding a limit maximum price of R 1 million. Should the producer require tractor above R1 million, then the producer will cover the balance. The Department subsidy towards implements will remain 80% percentage of implement/s not exceeding a limit of R400 000 Should the producer require implements above the maximum budget of R400, 000.00, then the producer will cover the balance. The subsidy percentages are clarified below.

Category	Qualifying criteria	Support Package	Own contribution
Small Holder producer	The applicant should have qualified in terms of all requirements of this policy. <b>Qualification criteria</b> - Above 10 ha to 40 ha ploughed and planted per season -All year-round production -4-6 years of production -Proof of previous 2 seasons market delivery notes, and or invoices.	Subsidized Tractor or any or all maximum number of implements	The producer is expected to contribute 20% in cash before the Department could transfer its share.
Commercial producer	The applicant should have qualified in terms of all requirements of this policy. <b>Qualification criteria</b> Above 40ha per season ploughed and planted - All year-round production -Off take agreement -above 7 years of production -4 Previous seasons markets delivery notes - Good standing with SARS	Subsidized Tractor or any or all maximum number of implements	The producer is expected to pay 50% contribution which is paid first at the dealer before the Department could transfer its contribution

TTC

## Procurement Model

- Mechanization packages to be procured directly from credible tractor dealers.
- The Department has the right to reject a quotation if is not obtained from registered creditable dealer in terms of the laws of the Republic of South Africa; verifiable and original.
- The applicant shall receive letter of approval to be supported with mechanisation subsidy signed by duly authorized official before committing to procure any item applied for.
- Once letter of approval has been obtained the applicant shall submit three quotations from the reputable dealer.
- The Dealer must comply with SARS and be registered in the government Central Supplier Database (CSD)
- The adjudication committee will adjudicate the quotations submitted by the applicant.
- Once the quotation has been approved, the Department shall in confirm in writing the subsidized amount of award and they will pay their own contribution to the dealer
- The applicant will submit the proof of payment to the Department to ensure the Department pay their portion.
- Should the Department suspect any collusion during procurement, such shall be investigated by all authorized institutions. Should the allegation proved to be correct such items shall be confiscated and other criminal procedures shall follow.
- Once the delivery has been finalised, the department shall confirm proof of delivery for necessary reporting

## Terms And Conditions

Notwithstanding Producer Support Policy conditions, the following shall also apply:

F.S.

- The Department is not compelled to subsidize the applicant with all the items.
- Once the tractor or implement is procured the applicant shall not dispose, dismantle, or modify and sell without a written concern from the department within first five years.
- Only new items will be subsidized.
- Mechanization should be used for agricultural purposes only and is a once- off support.
- Applicant is liable to service and maintain the support provided.
- The Department has the right to withdraw its subsidy should the farm operation change before the transfer of the grant.
- The subsidy grant will not be exchange for financial cash.
- Organized agriculture or entities must then provide mechanization to member as per own constitution

# ANNEXURE “B”

## **Annexure B: RAAVC Projects Support Approach and Implementation Models**

As espoused in the RAAVC Plan, the Department shall use various financing models to fund mega projects that seek to actualize the objectives of RAAVC.

All projects that are catalytic in nature should be listed for funding under the RAAVC Plan.

For the purpose of this Policy, a catalytic project is defined as:

- A project of significant scale and scope that will make a substantial impact and contribution to the achievement of the vision and goals of the Province
- Catalytic projects are public or private projects that are planned and designed to cause a corresponding and complementary development reaction on surrounding areas
- Catalytic projects are where a targeted intervention is used to encourage and promote much larger responses and achieve a broader transformation objective.
- The project must provide capital investment on a scale significant enough to affect the entire area and result in further development.

Catalytic projects can be identified across all operational levels of the agricultural value chain. This is with the proviso that identified projects should contribute to the objectives of the RAAVC Plan and also meet all minimum criteria. Catalytic projects can be individual-based or group-based, greenfield or brownfield as long as they will contribute to RAAVC objectives and meet the set criteria.

Catalytic projects are normally commercially oriented and require significant amount of capital expenditure (CAPEX) investment.

### **CRITERIA FOR CONSIDERATION OF RAAVC PROJECTS**

RAAVC projects to be considered for funding should help to achieve the objectives of the RAAVC Plan and also meet the following criteria:

### **Institutional Stability of Projects**

Project institutional stability should be a non-negotiable element when projects are identified as projects for RAAVC funding.

The first price is a project with no conflicts at all. This implies that financial support should not be given to a project where there is social conflict and/or court cases impeding development. However, there are projects with manageable institutional issues that can be addressed and dealt with through the intervention of the Department and/ or stakeholders. Although there is no clear-cut between a stable, near stable and unstable institutional environments, it will be up to the assessing official to use their own discretion, which decision they should be able to be responsible and accountable for. Individually owned projects are normally not affected by institutional stability issues. Therefore, this criterion mainly applies to group-based projects.

### **High Value Agricultural Commodities**

There is a large-scale, but overlooked, opportunity to promote the growth of a range of high-value agricultural products that are both labour-intensive and export-oriented. The growth of the sector is pinned in the increased production of high value agricultural commodities that have market demand and are export oriented. The role of government is to create an enabling environment and forge partnerships with the industry and private agribusinesses. Therefore, projects that are involved in the production of high value agricultural commodities should be given preference as they are catalytic in nature. Most of the high value agricultural commodities are found in Quadrant 2 of the NDP and Limpopo Province is best placed to produce these products due to, amongst others, its agroclimatic conditions. Although Quadrant 2 serves as the basis for RAAVC, commodities in other quadrants can be considered if they can be found to contribute to the objectives of the Plan.

179.



### Project Scale

Preference should be given to large-scale agricultural projects that will advance the objectives of RAAVC. However, one of the objectives of RAAVC is production expansion. Therefore, small-scale projects with the potential to expand can be considered.

### Funding/ Investment Approach

Government has, overtime, prioritised funding of agricultural development through different forms of support. However, government resources are being constrained by other competing public service delivery needs. Blended funding model is being explored whereby government leverage private sector funding for development and commercialisation of producers.

The project identified should, therefore, be able to attract private investment. The government can only be a catalyst in providing a conducive environment by providing community mobilisation/facilitation services to ensure institutional stability.

TT. C ,

Government will also pledge co-funding as informed by the project requirements and envisaged community stake in the planned business.

Therefore, when identifying a project, due regard should be given to the incentive it provides for private investors to come on board as co-funders and partners. The same principle should be applied to individually owned enterprises.

### **Minimum Funding Requirement**

One of the many imperatives of RAAVC is to make visible impact on many socio-economic indices. This can be achieved by a minimum investment on project development. For this reason, a minimum threshold for total project cost requirement is set at ten million (R10,000,000), with the implication that the minimum match funding by LDARD is five million (R5,000,000). The amounts of co-funding between LDARD and private investor will be agreed upon and outlined in a project-specific agreement.

Projects requiring investment value of less than ten million (R10,000,000) will be funded under the guidance of the Farmer Support Programme and other departmental programmes.

### **Project Stage**

Projects to be identified as RAAVC projects can either be start-ups (greenfield projects) or going concerns (brownfield project), provided that all other criteria are met.

### **Land Tenure**

The relationship between project owner(s) and the land should be strictly secured. Title deed, Permission to Occupy (PTO), long-term leases (minimum 10 years) are regarded as secure land tenure arrangements.

A.G.

Farms obtained through land reform programmes such as Land Redistribution for Agricultural Development (LRAD), Settlement Land Acquisition Grant (SLAG), Proactive Land Acquisition Strategy (PLAS) and Land Restitution Programme also offer secure land tenure.

### **Water Rights**

Identified projects should have water-use rights in place to be considered under the RAAVC Plan. Projects with no water rights and those having debts on water will not be considered for RAAVC funding.

### **WHO CAN APPLY FOR FUNDING FOR RAAVC PROJECTS**

**Communal Property Institutions:** Communal Property Institutions (CPIs) are institutions formed by land reform beneficiaries. Communal Property Associations (CPAs) and Communal Property Trusts (CPTs) are main forms of CPIs. These institutions received land through the South African land reform programme. Most land reform beneficiaries received land with high value crops. The properties/farming businesses were transferred as going concerns. However, many of these farms are producing below their capacity or have collapsed due to beneficiaries' lack of farming expertise and resources. These types of projects can be considered as RAAVC projects provided there is willingness by beneficiaries and that institutional dynamics are not an issue.

**SLAG/LRAD Beneficiaries:** Though the land reform programme land was made available to Previously Disadvantaged Individuals (PDIs) through SLAG, followed by LRAD and PLAS. Although some operated as individuals, many of the beneficiaries of these programmes organized themselves as cooperatives. Although several of them made efforts to work the land productively, lack of resources led to a point where the land is underutilized or not being utilized at all. The beneficiaries can apply for funding subject to the condition that their projects meet the minimum set criteria and that they are catalytic in nature.

**Tribal Authorities:** Some Tribal Authorities may decide to pledge the land for investment/development on behalf of their subjects.

A perfect example can be found at Majeje Tribal Authority where the Chief made land available for development through co-funding partnership between government and private sector partners.

**Cooperatives:** Many producers, particularly those working on irrigations schemes, have organized themselves as cooperatives. However, cooperatives may not necessarily be limited to irrigation schemes. Some may be cooperatives operating on non-irrigation scheme projects.

**Group of Permission-to-Occupy Holders:** It is a common occurrence that Tribal Authorities issue Permission to Occupy (PTOs) to their subjects as individuals. Many a times, these individuals decide to consolidate their allotted land parcels to form cooperatives. Examples are the irrigation schemes with vast tract of land with potential but not being used productively or to their capacity (under-utilized). With the right institutional settings, these projects offer an opportunity for investment and development.

**Individual producers:** Individual producers under different land use right regimes can apply for RAAVC project funding, e.g., those who have title deeds, leased land, or PTOs. The main thrust here is the security of land tenure. In case of leased land, the lease period should not be less than 10 years, especially where infrastructure is going to be installed. Application for RAAVC funding must be accompanied by proof of land use rights (Title deed document, lease agreement, PTO documents, amongst others).

## IDENTIFICATION OF RAAVC PROJECTS

Applications submitted through the Producer Support Policy deemed to meet criteria set out in this document can be diverted to RAAVC funding.

T. C.

The following individuals/institutions can identify projects to be funded through RAAVC, provided that the projects meet the minimum criteria stipulated above.

**LDARD:** The Department can identify the need for a project development in line with its mandate of agricultural development in the province. This will be done in consultation with the beneficiaries to ensure that they have the ownership of the projects. This helps to avoid a situation where beneficiaries feel that the project is not theirs, but that of the Department.

**Private Sector Partner:** Private sector partners can identify an investment opportunity with one of the groups that own the land. The onus is on the private sector partner to engage with the group owning the land so that they can approach the Department as a united front when presenting the opportunity to be considered for RAAVC funding.

**Project Owners:** Beneficiaries of the project can identify the need for development and approach the Department. They can also identify a private sector partner or request the Department to assist in this regard.

**Tribal Authority:** The Tribal Authority can also identify the need for development on their tribal land. They also can identify private sector partner or request the Department to assist in this regard.

**Local Municipalities:** As with Tribal Authorities, Local Municipalities can identify an opportunity for project development within their area of jurisdiction.

### **Agricultural Sector Stakeholders**

Sector stakeholders such as Commodity Organisations and development partners can also identify the need for project development. There are Commodity Organisations operating in the province responsible for various commodities. These Organisations have cordial relationship with the Department and producers in terms of project development. These include, but not limited, to Subtropic, Citrus Growers Association (CGA), Potato SA, Cotton SA etc. Likewise, development partners such as IDC, Impact Catalyst, Agricultural Growth and Development Agency (AGDA), Limpopo Economic Development Agency (LEDA) have an important role in the

sector, particularly in blended funding and project implementation. They can, therefore, also identify an opportunity for project development.

## **RAAVC PROJECTS FUNDING MODELS**

Government has, overtime, prioritised the promotion of agricultural development through different forms of support, both financial and non-financial support. However, government resources are being constrained by other competing public service delivery needs. In addition to government funding support, other innovative funding mechanisms are suggested to fund RAAVC projects. Blended funding model is one such mechanism being explored whereby government leverage private sector funding for development and commercialisation of producers. Blended finance is the strategic use of development finance for the mobilisation of additional finance towards sustainable development.

Blended funding model can be implemented with Development Funding Institutions (DFI) such as the Industrial Development Corporation, LEDA, and Land Bank. The blended funding can also be extended to Commodity Organisations in the agricultural sector. Private individual investors or corporates in partnerships within the sector also provides an opportunity for co-funding in agricultural development. Blended funding model provides for a Cost-Share Funding (CSF) approach to address agrarian transformation and sector development. This funding model implies co-funding between LDARD and sector stakeholders, where funding is contributed as a grant from LDARD and as a loan from the sector stakeholder.

Blended funding can also be implemented with the involvement of Commodity Organisations such as CGA, Subtropical, Potato SA, etc. Due diligence for project qualification for blended funding will be conducted by the sector stakeholders with the involvement of LDARD. Therefore, LDARD's contribution will only be made available after the project has gone through the due diligence.

This Policy, therefore, outlines the procedure for implementation of projects through collaboration/co-funding with private sector investors and DFIs.

### **Co-funding with Private Sector Investors**

71 9.

To relieve pressure from public purse, the RAAVC Plan recommends co-funding with private sector investors. These can be private individuals or companies who have the appetite to invest in agricultural businesses. In the case of private sector investments, the following processes should be observed once the project has been identified for co-funding:

### **Formation of Special Purpose Vehicle or Operating Company**

An individual or group-based project and the private investor establish a special purpose vehicle (SPV) or Operating Company (OC) wherein the two parties will be shareholders.

- The SPV/OC will be an entity that will manage the business on behalf of the two parties
- The two parties will agree on shareholding proportions in the SPV and other terms of the relationship
- The total project funding requirements will be determined
- The SPV then approaches the Department for co-funding on behalf of the applicant
- The Department and Private investor will negotiate the cost-sharing/co-funding proportions for the SPV and other terms of the collaboration
- The Department and the private sector investor then enter into and sign a project-specific agreement for the funding of an identified large-scale agricultural projects that will help to drive the objectives of RAAVC
- The applicant will be a signatory to the project-specific agreement. This helps to tie the applicant to their roles and responsibilities in terms of project implementation
- The project-specific agreement then becomes a tripartite agreement (LDARD, Applicant and Private investor)
- The parties (except the applicant) will agree on the percentage contribution to the total project-specific funding requirements

- Private sector investor will be responsible and accountable for regulating the use of funds for project implementation, subject to proper record management, especially on the transferred public funds
- The Department will, therefore, disburse part of its funding contribution into the dedicated account of the SPV for the implementation of the project

### **Blended Funding with DFIs**

DFIs and Operating investment partners are key deal originators and funding partners. The operating partner takes financial and business risk as technical implementing/management partner. Government invests directly as development equity contributor for the community/Black producers' participation.

The DFI partner creates development project account that is ring-fenced for all investing parties to contribute. For accountability purposes, LDARD will sign a co-funding agreement with the DFI through which implementation will be monitored by a Steering Committee that is constituted by relevant officials of LDARD and the DFI.

### **Partnership with LEDA Agribusiness**

The LEDA Agribusiness Unit was established within the Limpopo Economic Development Department for the purpose of managing agribusiness enterprise development in the province. The Unit is also expected to provide agribusiness support in terms of development of commercial agribusiness development initiatives on behalf of LDARD. The challenge, however, has always been inadequate capacity to render the support as expected. Despite this challenge, LDARD is working very closely with LEDA Agribusiness.

### **Partnership with Commodity Organizations as Implementing Partners/Agents**

A commodity organisation represents commodity producers who contribute statutory levy for membership. Through partnership, commodity organisations may implement development projects with LDARD as a partner. They can serve as implementing agents of key strategic projects within their industry. LDARD already has standing memorandum of Understanding with various organisations, namely CGA, Subtrop SA, Macadamia SA etc.

H.S.

### **Direct State Grant Funding**

LDARD may fund the applicant without a partner (co-funding) after due processes have been followed. However, LDARD has the prerogative to utilise Implementing Partners/Implementing Agents/Development Partners who will implement the project on behalf of the beneficiaries if they are found to be lacking in implementation capacity. Examples Implementing Partners/Implementing Agents/Development Partners are the Limpopo Economic Development Agency (LEDA) and Impact Catalyst. Impact Catalyst is a Non-profit Company that has signed an agreement with the Limpopo Provincial Government to implement projects. LDARD will transfer funds into a dedicated account for the Implementing Partners/Implementing Agents/Development Partners to implement the projects.

### **RAAVC FUNDING FOR NON-INFRASTRUCTURE PROJECTS**

Although RAAVC will mainly fund CAPEX investments, a portion of the earmarked funding can be used for planning purposes, conflict management and mediation, capacity building and other related activities such as monitoring and evaluation of the implementation of the RAAVC Plan.

### **GOVERNMENT EXIT FROM THE PROJECT**

LDARD will continue to be a participant in the implementation and monitoring as long as public funds are still being expended on the project. Once the project is fully implemented, government may exit the project with regard to implementation, monitoring and financial support. LDARD reserves the right to conduct impact assessment after project completion to assess achievements of RAAVC objectives.

### **CONDITIONS OF THE RAAVC FUNDING SUPPORT**

Potential applicants should note that allocated budget does not mean after implementation of approved activity, any saving from the budget should be redirected to activities not approved and NO successful applicant has a right to claim any savings after completion of the approved activities. LDARD reserve the right to withdraw any saving from any project if it deems so. Therefore, once the agreed

activities are completed as per approved specifications, the Department shall utilise any portion of remaining funds to support other deserving projects.

No state employee (three levels of government and SOEs) will be considered under this funding plan.

### **IMPLEMENTATION, MONITORING AND REPORTING ON RAAVC PROJECTS**

Through the RAAVC Steering Committee the implementation of the projects will be monitored, and progress reported on. Progress made on the implementation of RAAVC projects will be presented to LDARD Executive Management by the relevant Chief Directorate.

### **PARTNERSHIPS WITH INDUSTRY STAKEHOLDERS**

Within the context of RAAVC, the department and the industry envisage massive development through the revitalisation and expansion of agriculture across the value chain. As already stated, the focus is on commodities with high growth potential and job creation. The focus and approach is on commercialisation of black producers and enable their participation in key commodity industries value chain.

Production expansion of high value commodities will require capital for primary production and value chain support infrastructure. The entire proposed development will require huge investment, that cannot be realised through public funding due to resource limitations. This calls for innovative financing and partnership models. As it has been in similar developments elsewhere in the Province and nationally, partnerships can enhance the capacity to implement the projects, and overall business operations, as well as improved market access.

The growth of the sector is pinned on the increased production of high value agricultural commodities and are oriented. Government's role is to create enabling environment and forge partnership with the industry and private agribusinesses.

For successful implementation of Limpopo RAAVC, partnerships with the industry, commodity organisation would be crucial to ensure sustainable agricultural enterprises and transfer of skills to black producers.

M. G.

Furthermore, with the current resource constraints in terms of reduced funding allocation and inability to replace the skills and expertise the department is losing due deaths and natural attrition, the department no longer has sufficient capacity to executive the plans.

Therefore, alternative service delivery mechanisms and approaches have to be explored, that would enable the department to still be able to lead and drive the implementation of the RAAVC Plan.

The key advantages of partnership funding and development the RAAVC Plan puts forth include the following:

- The private sector led the design and implementation across the selected projects,
- Access to finance is essential for the implementation and long-term sustainability of agrarian transformation,
- Successful joint ventures usually possess unique institutional arrangements,
- Contract farming can be an effective method of expanding small-scale farming,
- Access to domestic and export markets is a significant barrier to entry for small-scale producers as well as less-established emerging producers,