Transformation in Action

Dr Nico Schutte
CenDel
Objectives of AgriBEE

--- to facilitate --- by implementing initiatives
Promoting, unlocking, facilitating, uplifting, increasing, empowering, improving
<table>
<thead>
<tr>
<th>INITIATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>MILK PRODUCERS’ ORGANISATION</td>
</tr>
<tr>
<td>AGRIBEE</td>
</tr>
<tr>
<td>SKILLS TRANSFER</td>
</tr>
<tr>
<td>TRAINING</td>
</tr>
<tr>
<td>MENTORING</td>
</tr>
<tr>
<td>DAIRY SCHOOLS</td>
</tr>
</tbody>
</table>
It’s all about people

Internal asset base
TRANSFORMATION AT WORK
Training 2,000+ per annum
Accredited AgriSeta training provider

Animal Production Levels 1-4
Courses

- Care of farm animals and animal husbandry
- Dairy production
- Artificial insemination
- Animal health and treatment
Courses (continued)

- Animal feeding and nutrition
- Productivity and the free market
- Motivation and work ethics
- Business and marketing skills
- Tractor maintenance
## Master Mentor participation table

<table>
<thead>
<tr>
<th>Province</th>
<th>Area</th>
<th>No. of projects</th>
<th>No. of beneficiaries</th>
<th>No. of women</th>
<th>No. of youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>North West</td>
<td>Madisago</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Lichtenburg</td>
<td>1</td>
<td>8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Emerdale</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Khuma</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Klerksdorp</td>
<td>1</td>
<td>52</td>
<td>37</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Delareyville</td>
<td>1</td>
<td>9</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Leeudcornstad</td>
<td>1</td>
<td>52</td>
<td>36</td>
<td>19</td>
</tr>
<tr>
<td>Free State</td>
<td>Qwa qwa</td>
<td>4</td>
<td>36</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Eastern Cape</td>
<td>Cradock</td>
<td>1</td>
<td>14</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Klein Eikeboom</td>
<td>1</td>
<td>21</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>13</td>
<td>198</td>
<td>98</td>
<td>45</td>
</tr>
</tbody>
</table>
Structure Commodity Organisation

- MPO
  - Master Mentors
    - Mentor
      - Mentee
    - Mentor
      - Mentee
      - Mentee
    - Mentor
      - Mentee
Fodder flow
Milking
Animal Health
Marketing
Financial control
The farmer

- Income from milk January 2010
- R7 344
The Stockman

Income from milk

- December 2008 = R 5 800
- December 2009 = R17 879
The Entrepreneur

- Income from milk
- January 2010 = R29 000
Funders for training

• Milk SA
• AgriSeta
• USAid
• Rand Merchant Bank

THANK YOU!
Funders for mentorships

• DAFF
• AgriSeta
• MilkSA

Thank you!
JOINT VENTURES / SHARE MILKING

Amadlelo Agri JVs
Others
ORGANIZATION

AMADLELO MILK PRODUCERS INVESTMENT COMPANY

VUWA INVESTMENTS (PTY) LTD

AMADLELO EMPOWERMENT TRUST

LANDBANK PREF SHARES R7,765M

499 SHARES 350 SHARES 151 SHARES

AMADLELO AGRI

90%

FORT HARE DAIRY TRUST

MIDDLEDrift DAIRY (PTY) LTD

MACADAMIA

KWAZULU PROJECT
Legal Structure

Trust founded by: G.T. Elliott

Beneficiaries: 49 Employees and retired employees of Grasslands

Trustees: 7 (each represents a farm)

1 (represents retired beneficiaries)

2 (external volunteer Trustees)

Protectors: 1 Official Land Affairs

1 Independent
Trust purchased 485 hectare dairy farm, of which 120 hectare irrigated, from a commercial farmer.
The purchase price of the farm was R7 625 000 which was funded as follows:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LRAD grant from the Department of Land Affairs</td>
<td>R 3 200 000</td>
</tr>
<tr>
<td>Kuhla LREF loan via Standard Bank</td>
<td>4 425 000</td>
</tr>
<tr>
<td><strong>INFRASTRUCTURE FUNDING:</strong></td>
<td></td>
</tr>
<tr>
<td>Grant – Department of Agriculture Eastern Cape</td>
<td>1 200 000</td>
</tr>
<tr>
<td>Kuhla LREF loan via Standard Bank</td>
<td>1 575 000</td>
</tr>
</tbody>
</table>
## Financial Structure

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQUITY – LRAD Grant (R65 306 per beneficiary)</td>
<td>35%</td>
</tr>
<tr>
<td>LONG TERM LOAN</td>
<td>65%</td>
</tr>
</tbody>
</table>
Details of Farming Operation

- Dairy farming
- Milking 750 cows / with sharemilker, Grasslands Agriculture
- Produce 3 750 000 litres
- Turnover R7 500 000
Operating Structure

- Farm Management is based on a Sharemilking Agreement – a New Zealand concept
- The Farmer (in this case the Grasslands Development Trust) provides the land
- The Sharemilker (in this case Grasslands Agriculture) provides the livestock, movable equipment, management and labour
- The relationship between the parties in a Sharemilking Agreement is that of Employer (Trust) and Independent Contractor (Grasslands Agriculture)
Thank you