



## EXECUTIVE SUMMARY

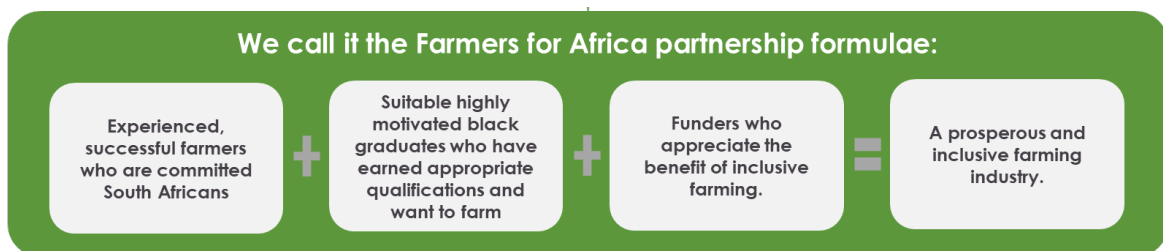
### Developing young black Farm Managers

#### Current situation in Agriculture in SA

- There are 35 000 farmers in SA today with 10% (3500) of these farmers delivering 65% of the total agricultural output.
- SA is not developing sufficient young black commercial farmers to build capacity and guarantee **food security** and **sustainable land transformation**.
- The break down in the development of young black farmers is that young black graduates exiting Agricultural colleges, having completed their agricultural diplomas, do not have farms to work on and gain the necessary agricultural and commercial experience to become successful commercial farmers. Their white counterparts return to family farms and continue their development with their parents as mentors and teachers.

#### What can we do differently?

- The Farmers For Africa young black farm manager development program is a managed process of the placement of young black agricultural college graduates, on working commercial farms, for a 3-year paid for apprenticeship program - to train them to become commercial **farm managers**.



- They are paired with suitable like-minded Mentor farmers to give them the opportunity to gain the necessary experience to become successful Farm Managers.
- Having completed the program these commercial farm managers will in time transition from farm managers to farm owners.
- The professionally managed program will include the selection, recruitment, placement, and management of the graduates to ensure they transition from agricultural college graduates to successful commercial farm managers.

#### Training program – what the three-year program entails?

- The Trainee Farm Managers will undergo a rigorous training program divided into six training modules – with the final year culminating in the execution of a Farm Business Plan.
- The plan will be presented by the Trainee Farm Manager to an evaluation board consisting of the Mentor Farmer, Farmers for Africa management and industry experts.
- The successful execution of the Business Plan in the final year, will ensure the candidate graduates as a **Farmers For Africa Farm Manager**.
- The Trainee Farm Managers will undergo an extensive customised and accredited leadership and management development program to ensure that they have the necessary skills and expertise to work effectively in the current agricultural environment.

### **What happens in year 4?**

- In year 4 - The Farmers for Africa Farm Managers will be able to take up permanent positions as Farm Managers either on the existing farm where the training was conducted or move to new farms.
- As they continue to develop in the industry gaining experience each year, they will become more capable and in time will transition from managers to owners and in this process, we will see the sustainable transition of land from white to black ownership.
- With experience and a proven track record to manage a farm successfully, comes the ability to secure financing from commercial banks and government finance programs. This access to finance will then be the catalyst to transition from Farm Manager to owner farmer.
- Farmers For Africa management will be working closely with the PALS program (Partners in Agri Land Solutions) to identify the placement of the new Farm Managers on new PALS projects nationally.

### **Program Output**

- A planned annual intake of 216 graduates with a total of 600 Trainee Farm Managers in the program and 600 paired Mentor farmers when the program reaches capacity in year 6.
- Given the necessary funding, the program will deliver 2000 trained farm managers over a 15-year period.
- The program is expected to continue to function for 20 – 30 years with the forecasted output increasing to 4000 commercial farm Managers.

### **Program Costs**

- The total cost to develop each Farm Manager over the 3-year period is R800k.
- The country has been divided up into 18 regions or PODS, with each POD consisting of 36 Trainee Farm Managers when at capacity.
- The program will be managed by a team of 39 dedicated and like-minded professionals to ensure the program delivers on its objectives.
- Total program costs per annum are R145m when at capacity and it will take 6 years to reach capacity.

### **Funding Sources**

- Program funding will be secured from a wide range of sources including AgriSeta, SA Commercial Banks, Retailers, Manufacturers, Overseas funders, and Foreign countries.

### **Commercial impact of the program**

- The program will assist in ensuring the stability of the agricultural sector and will start the gradual process of successful land transformation which will in the long term ensure food security for SA.
- Although the agricultural sector only contributes 4% to GDP, a productive and stable agricultural sector can deliver more than 6% growth and has both backward and forward linkages to the entire economy.
- A stable and productive sector can contribute to total GDP annually while a disruptive and destabilising sector can have a hugely detrimental impact on overall business confidence negatively impacting the whole economy.

### **Summary**

- The current SA agricultural environment requires a planned professionally managed support program to ensure the development of black commercial farmers.
- The Farmers For Africa Farm manager develop program is the kickstart in the development of our future black farmers as they take on a career in farming – for without this assistance, they are not able to make the start to become successful farmers and without black farmers we will not be able to guarantee sustainable food Security nor will we see successful land transformation.



## FUNDING

### Objectives

The objectives of the funding model are to ensure:

1. A sustainable revenue stream to maintain the operations of **Farmers For Africa**
2. To ensure the annual funding of the program as it develops from project management phase to pilot phase, to ramp up and then onto the final intake of 200+ candidates per annum.
3. To broaden the funding across a wide range of funders ensuring funding continuity, Farmers for Africa brand proliferation and buy-in by allowing for a greater number of willing funders and indirectly their stakeholders to participate in the program.
4. We are targeting funders who are aligned to the Farmers For Africa partnership formulae.

We call it the Farmers for Africa partnership formulae:

Experienced, successful farmers who are committed South Africans

+

Suitable highly motivated black graduates who have earned appropriate qualifications and want to farm

+

Funders who appreciate the benefit of inclusive farming.

=

A prosperous and inclusive farming industry.

### Funding requirements

SA has been divided into 18 regions or PODS each of which must be funded. Funding will be from Government (50%) and Private (50%) with the Mentor farmers contributing (12%) to the overall salary costs. In addition we are seeking private funders, one per POD, who will take up funding for each POD.

					50%	50%				
year	Phase	# staff	# Trainee farmers	Total Annual costs (M)	Agriseta (50%) (M)	Mentor Farmers (12%) (M)	Primary private funder (15%) (M)	Private funders (23%) (M)	Number of private funders	Cost per Private Funder (M)
1 2021	Project Man phase	7		7.0	3.5	-	1.1	2.5	2	1.23
2 2022	Kick / Pilot Start Phase	12	24	16.0	8.0	0.7	2.4	4.8	3	1.61
3 2023	Ramp up Phase	25	118	44.0	22.0	3.5	6.4	11.4	8	1.43
4 2024	Full Scale Phase yr 1	39	334	92.0	46.0	10.0	13.6	21.6	18	1.20
5 2025	Full Scale Phase yr 2	39	503	122.0	61.0	15.1	18.0	27.0	18	1.50
6 2026	Full Scale Phase yr 3	39	600	138.0	69.0	17.9	20.5	29.9	18	1.66
7 2027	Full Scale Phase yr 4	39	600	146.0	73.0	17.9	21.7	32.7	18	1.81

In broadening the funding base, we are able to secure a higher level of engagement from our funders and to ensure the ongoing continuity of the program.