

# AgriExpert CC

## Enterprise Introduction

# 2010

Registration #: CK 2001/045888/23

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# Background

Since 2001 AgriExpert CC has been actively involved in land reform and Broad-Based Black Economic Empowerment (BBBEE) in the agricultural sectors of various provinces in South Africa. We believe we are contributing significantly to South Africa's vision: "A nation at work for a better life for all", and to the long-term vision for agriculture in South Africa: "A united and prosperous agricultural sector".

The contribution by AgriExpert was recognised by the National Department of Land Affairs, through the accreditation of AgriExpert itself and in four joint ventures as Strategic Partners. Only 30 service providers countrywide have thus far received this accreditation, and AgriExpert is involved in five of those.

The main focus of AgriExpert has been in land reform work, more specifically the initiation, planning, funding and implementation of equity-type projects (also called production-for-markets type projects). These types of projects involve the planning and facilitation of partnerships between commercial farmers and BEE partners, in many cases farm workers. Funding sources include Department of Land Affairs (LRAD and SPLAG subsidies), Department of Agriculture (CASP subsidies), Department of Water Affairs subsidies, incubator funding (for instance from IDC and DBSA), LED funding from local authorities, ESCOM subsidies and commercial bank loans.

Since the formation of the new Department of Rural Development and Land Reform in 2009, AgriExpert has applied to be accredited as a "scarce skills" supplier to the Department's new Comprehensive Rural Development Programme (CRDP).

The two members of AgriExpert are both vastly experienced in business and agricultural development. Iaan Olckers has a master degree in animal husbandry, and served for 29 years in the Western Cape Department of Agriculture. He has been with AgriExpert for the past four years after taking early retirement. Charl Pienaar has a master degree in agriculture (plant genetics) and a MBA, he established AgriExpert in 2001 and is still fully involved in the work of AgriExpert. Tina Pienaar is a qualified wine maker and recently joined AgriExpert as project manager. CV's of Iaan Olckers and Charl Pienaar are attached for more information.

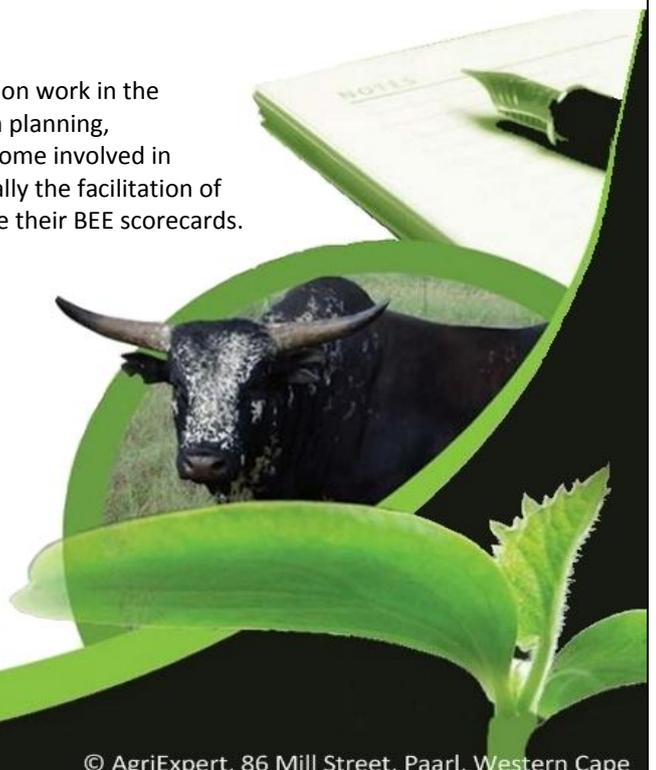
In what follows, please allow us to elaborate further on the work and focus areas of AgriExpert.

## AgriExpert enterprise profile and skills offering

Since 2001 AgriExpert has been heavily involved in transformation work in the agricultural sector. Initially the focus was mostly on land reform planning, facilitation and funding work. More recently AgriExpert has become involved in broad-based black economic development work, more specifically the facilitation of strategy plans for business to become compliant and to improve their BEE scorecards. At present AgriExpert provides a whole range of services, briefly summarised as follows:

### Building partnerships:

This is the bread-and-butter work of AgriExpert, quite often involving commercial farmers with farm workers in equity-type schemes. Various successful projects can be listed, including Khula Boerdery (30 beneficiaries), Boeja's Flowers (10 beneficiaries), and many others. Contact details can be provided for further references.



## Industry-level transformation:

AgriExpert has been involved on industry level in the transformation of the wine industry, fruit industry, fresh produce industry and the forestry industry. Work is being done on a provincial scale with Agri Western Cape to structure the DLA partnership programme. The Carterville project (19 beneficiaries), near Calvinia is an example of an animal husbandry project that AgriExpert planned and funded with Western Cape DLA funding.

## Regional development initiatives:

Various projects such as Riebeeck Valley Wine Partners (115 beneficiaries), Uit-die-Bloute (415 beneficiaries), Ugu Agricultural Market fresh produce supply base, Philippi Market fresh produce supply base have been successfully completed.

## Vertical integration:

Linking primary production with on-site wholesaling and processing as well as downstream trading are concepts that a lot of effort have been expended on. Quite often on-farm pack houses, processing facilities such as wine cellars, cold chain facilities and other value-adding facilities form part of integrated business planning. Examples include Yukon Vuselela (17 beneficiaries) and R59 Enterprises in Bothaville, Philippi and Ugu Agricultural Markets, Adama Empowerment project (Bosman Boerdery near Wellington, a large project where beneficiaries (260) are involved not only in primary agriculture, but in the whole range of value adding activities etc.

## Complex agri-business planning:

Project with really complex business planning aspects include Broodkraal Estate (Phase 1, 45 beneficiaries) and Bosman Boerdery. In general, AgriExpert enjoys the challenge of getting stuck in non-standard, pushing-the-envelope type projects.

## Project funding

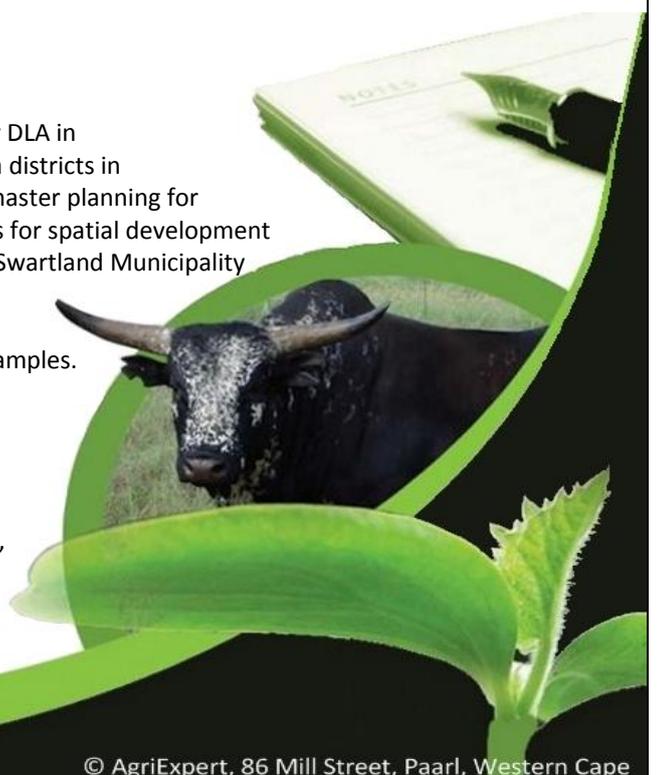
AgriExpert is adapt at securing commercial and subsidised funding from banks, development agencies, state departments (LRAD, CASP, DWAF and SPLAG), local authorities (LED funding) and other funders such as ESCOM.

## Provincial and district-level strategies:

In a joint venture with Urban Dynamics, AgriExpert did work for DLA in compiling two Area Based Plans for Motheo and Lejweleputswa districts in Free State province. Other regional work includes agricultural master planning for district municipalities as well as the agricultural specialist inputs for spatial development frameworks for local municipalities such as Beaufort West and Swartland Municipality in the Western Cape Province. Agricultural master planning, agricultural development policy and development of commonages for urban farmers are some other noteworthy examples.

## Integrated agricultural development:

Integrated agricultural development planning for communities, for instance Elim, Goedverwacht, Matjiesrivier and Genadendal, all previously Moravian mission stations.



# Equity schemes: definition and applications

AgriExpert specialises in initialising, conceptualising, planning, facilitating and procuring funding for equity schemes where amongst others farm workers acquire equity in commercial farming enterprises, quite often where the existing commercial farmer retains some equity. The farming enterprise, including the land and improvements, is retained as a running concern and the experience and skills of the commercial partner is retained, which normally enhances the sustainability of the business.

To our mind and in our experience such well-structured equity schemes contribute significantly to achieve some of the goals of LRAD, in particular:

- Increased access to agricultural land by black people
- Overcome the legacy of past racial and gender discrimination in ownership of farmland
- Stimulate growth from agriculture
- Create stronger linkages between farm and off-farm income-generating activities
- Expand opportunities for vulnerable groups who want to farm on any scale
- Promote environmental sustainability of land and other resources.

## Summary and conclusion

It is imperative that AgriExpert builds up a good relationship with top decision makers such as politicians, national ministers and senior staff in various State Departments such as Agriculture and Economic Development in southern Africa. There could certainly be mutual beneficiation created through working together. AgriExpert could contribute significantly to assist Southern African countries and agri-enterprises in reaching BEE development and land reform targets, especially in terms of establishing sustainable and profitable partnerships.

As accredited Strategic Partner of Department of Land Affairs in South Africa we avail ourselves to work with the national and provincial structures to help achieve agricultural development success stories.

The visionary Leonardo ad Vinci is quoted as having said: **"People of accomplishment rarely sat back and let things happen to them. They went out and happened to things."**

These words are strengthened by the following from the late Christopher Reeves: **"So many of our dreams at first seem impossible, then they seem improbable, and then, when we summon the will, they soon become inevitable."**

Let us keep these words of wisdom in mind as we move forward towards our dream of an agriculturally empowered Southern Africa.

