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North West Provincial Government  
**REPUBLIC OF SOUTH AFRICA**



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## **Media Release**

### **For immediate release**

### **13 February 2018**

#### **State-owned fund for smallholder farmers in Bokone Bophirima officially opened**

**Mahikeng**-Hundreds of farmers converged in Mahikeng on Tuesday, 13 February 2018 to witness the official opening of state-owned fund unit by the North West Department of Rural, Environment and Agricultural Development (READ) aimed at assisting financially struggling farmers of the province.

The North West Province Premier SOR Mahumapelo and MEC for Rural, Environment and Agricultural Development Ms Manketsi Tlhape have officially opened the much awaited North West Agrifund (NWAf).

The core business of Agrifund is to provide financial assistance to the farming community. It will primarily look at farmers who do not qualify for grants or cannot access funding from the commercial banks with a particular emphasis on previously disadvantaged individuals, aspiring farmers and those involved in small scale agricultural activities. Part of its mandate is to contribute to rural development and stability, social upliftment and job creation.

The fund is implemented by READ in partnership with Office of the Premier and the North West Development Corporation as an implementing agency.

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NWAF will form partnerships with other entities to expand its envelope in financing agriculture and supporting farmers. These include commercial banks, local, regional and international development finance institutions, co-operatives (old and creation of new cooperatives), the Department of Rural Development and Land Reform (DRDLR), Provincial Departments and other institutions in the agricultural sector while ensuring the promotion and structuring of related enterprises in the North West Province.

Speaking during the official opening of the fund, Premier SOR Mahumapelo said he is glad that the vision he had, has become a reality. "Today we are here to deliver on a collective resolution to implement AgriFund. With NWAF at the center of the province's agricultural sector transformation, I am confident it will bring real and lasting progress to the lives of ordinary citizens and boost the economy of the province particularly of villages, townships and small dorpies (VTSD). NWAF will serve as one of the most efficient vehicles for the economic development of the province," said Premier Mahumapelo.

"While we have made significant strides in economic growth and in poverty reduction, much remains to be done," Mahumapelo told aspiring farmers and guests. "The goal is clear, it is to eradicate poverty, create more inclusive socio-economic development. To do so, the province needs to promote growth that creates jobs and provides economic opportunities for all," Premier emphasised.

North West Agrifund will issue a bill that has liquid asset status for financing agricultural cooperatives, which should assist in establishing new agricultural cooperatives, improve the understanding of the agricultural sector, promote food security as well as agricultural enterprises and commercial agriculture.

It will stratify its loan portfolio into three business centers: the subsistence farmers fund, smallholder farmers fund and commercial farmers fund; the business center focusing on subsistence and smallholder farmers funds will provide loans to emerging farmers matched with government grants for the future of the farmers to be viable; and the third business center will provide 100% loan finance to commercial farmers.

MEC Mankentsi Tlhape thanked the team that worked tirelessly to make Agrifund a reality. "I want to sincerely thank Departmental team which is consistent in internalising and carrying mandates and pronouncements made by government."

Tlhape also assured communities of Bokone Bophirima that service from the fund will be of a good quality as most of the people employed to work for the Agrifund come with a wealth of experience from the banking industry.

"I'm proud to announce that the technical team managed to recruit and appoint competent officials with enormous banking experience for them to hit the ground running hence the Fund is operational as we launch. Manager and Business Development Officers have valuable experience as they worked for almost all the commercial banks of South Africa," Tlhape concluded.

Bokone Bophirima Province has a well-developed commercial agricultural sector with approximately 7,600 commercial farms. About 147,000 relatively small farms are active in the area for the purpose of subsistence farming, with day-to-day needs and demands as the main objective behind the activity.

Presently, the production levels of the subsistence farming sector is only 16% of the average production potential. This is a clear indication of the possible growth that could be achieved in the agricultural sector but that is hindered by various factors such as limited access to resources (i.e. funds, markets, technical skills and business support).

Speaking on behalf of farmers organizations in the province, Professor Marekwa Wilfred Legotlo said they welcome government's initiative of establishing the Agrifund.

"I want to thank the Premier Supra Mahumapelo for his vision which I believe will go a long way in assisting our farming community. As farmers, we believe this will make a huge difference. We want to pledge our support to this vision and we trust it will assist our programme of commercialising farms," Professor Legotlo said.

Farming community is encouraged to apply for financial aid from NWAF. Application forms will be made available in due course in all READ District and Local Area offices across the Province. Alternatively, farmers are encouraged to visit NWAF offices situated at Agricentre building in Mahikeng.

**CAPTIONS:**

**JPG 3304: MEC for North West Department of Rural, Environment and Agricultural Development Ms Manketsi Tlhape during the official opening of Agrifund.**

**JPG 3464 : Premier SOR Mahumapelo, MEC Manketsi Tlhape and other dignitaries unveiling the North West Agrifund plaque**

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**Issued by the Communication Services Directorate**

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