



# —AGRO—

## ENERGY FUND (AEF)



**agriculture**

Department:  
Agriculture  
**REPUBLIC OF SOUTH AFRICA**



# ABOUT THE PROGRAMME

The AEF is a blended finance programme, established in partnership with the Department of Agriculture (DOA - formerly known as DALRRD) to provide funding support for the acquisition of alternative energy assets that improve energy supply, reliability, sustainability whilst maintaining productivity for food security. The fund will focus on financing energy intensive agricultural activities which include irrigation, intensive agricultural production systems and on-farm cold chain related activities.

## ABOUT LAND BANK

The Land and Agricultural Development Bank of South Africa is a specialist agricultural bank that offers tailor made financial solutions for our valued clients to enable farmers to finance land, equipment, asset acquisition and improvements including short-term and production credit facilities. Our value added services include insurance, business development and support services. As a development finance institution, we leverage funding from public and private sector partnerships to offer enabling funding solutions geared towards ensuring inclusivity, sustainability and growth in the agricultural sector. In this regard, Land Bank is committed to sustainable finance and development and is a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) which fosters the implementation of the Principles of Responsible Banking.

## TARGETED PRODUCERS AT LAND BANK

- Mega Commercial Producers;
- Large Scale Producers;
- Medium Scale Producers; and
- Smallholder Producers.

## SECTOR FOCUS

Targeted commodities that have high energy consumption at farm level i.e.:

- Dairy farming;
- Poultry and Piggeries;
- All irrigated commodities; and
- On-farm processing.

*\*\*Commodity list is not exhaustive, to be guided by internal assessment at Land Bank.*

## EXCLUSIONS

- Foreign nationals and illegal immigrants;
- Employees of government and State-Owned Entities (24 months cooling period);
- Politicians in public office (12 months cooling period);
- Politically Exposed Persons posing a reputational risk as identified through the credit provider's lending policies, including but not limited to Anti-Money laundering risk management and compliance policies;
- \*Part-time producers (regardless of a farm manager being in place or to be employed);
- Distressed producers;
- Non-agricultural businesses;
- Double dipping applications (if already benefited from other energy government programmes); and
- Off-farm processors (Industrialists).



## QUALIFYING CRITERIA

- South African citizens with a valid ID (must be 18 years and above) and/or registered business entity;
- Applicant must be applying to implement an energy efficiency project or to implement a project that partially offsets electricity from the grid through self-use renewable energy;
- The Applicant must be operating an agricultural business at the primary or secondary level;
- Applicants must demonstrate the capacity to utilize the energy requirements applied for;
- Smallholder, medium-scale, large-scale and mega commercial producers operating in the agricultural sector;
- Producers involved in energy-intensive farming enterprises including on-farm cold chain related activities;
- Proof of land ownership or proof of access to land (Lease tenure must be aligned to the term of the loan at the minimum);
- Only one application per entity or applicant will be considered; and
- No debt takeovers; debt settlements or refinancing.

## FUNDING SCOPE

- Purchasing of capital equipment and infrastructure (“CAPEX”) for alternative energy sources directly linked to energy-intensive farming operations.

## KEY APPLICATION REQUIREMENTS

- 5 year cash flow projections;
- Historical financial statements for operating entities;
- Feasibility or energy expert report outlining the energy requirement and significant energy uses of the farm including the infrastructure design, must be submitted with the application;
- For existing operating entities, proof of historical energy consumption (twelve months municipality bill or equivalent) must be submitted and for new entrants as per the feasibility or energy expert report;
- Environmental authorisations (EIA/EA) to be in place where applicable in terms of the regulations;
- A generation license from NERSA where applicable in terms of the regulations;
- Health and Safety requirements to be complied with;
- Quotations for Capex requirements: to specify the aftercare service, warranties and lifespan;
- Project implementation plan; and
- Certification of the service provider of choice as a qualified entity or individual for installation and registered with relevant competent authorities or industry bodies.

## KEY PROGRAMME TERMS

- Applicants must meet the criteria for the conditional grant and also qualify and be approved for loan funding.
- Applicants must also meet the Land Bank credit criteria regarding the debt portion, be viable and sustainable enterprises.
- Conditional grant funding will be capped according to the maximum grant scale limits as stipulated by DOA for each producer category.
- The conditional grant cannot be approved on a standalone basis, grant funding to be in conjunction with Land Bank loan funding. Loans will be priced at market related rates.



- Co-funding by other development finance institutions, equity participants, private sector grants, other debt or equity programmes for the same purpose and project (sharing risks) is allowed, if it forms part of the total project proposed (process will be handled in-line with Land Bank policies and procedures).
- Assessment and approval processes for the AEF will follow approved Land Bank lending policies, products and processes.

### WHY RENEWABLE ENERGY FOR AGRICULTURE?

- **Reduce Energy Costs** – Lower reliance on grid electricity and rising tariffs.
- **Energy Security** – Reliable power for irrigation, cold storage, and production.
- **Sustainability** – Cut carbon emissions and promote eco-friendly farming.
- **Long-Term Savings** – Invest in cost-effective and self-sustaining energy solutions.

### ALTERNATIVE ENERGY SOLUTIONS FOR FARMS

- **Solar Photovoltaic Systems and Battery Storage** – Power for irrigation, greenhouses, and on-farm processing units.
- **Biogas Digesters** – Convert farm waste into energy and organic fertilizers.
- **Biogas Plants** – Convert biogas into usable energy.

### FUNDING AVAILABLE FOR:

- Solar systems, Biogas, and Biomass Plants.

### ELECTRICITY SAVINGS COMPARISON: SOLAR PV VS. GRID

#### Cost Savings:

- **Grid Power:** Farmers pay increasing tariffs, averaging R2.50-R3.00/kWh.
- **Solar PV:** After installation, electricity costs are reduced, with only maintenance cost (~R0.20-R0.50/kWh over system lifetime).

### REDUCED DEPENDENCE ON THE GRID:

- Avoid peak-time tariffs (up to R5.00/kWh in some areas).
- Less exposure to load shedding and power outages.

*\*Installation, testing, and commissioning by certified service provider. Get Funded! Improve farm productivity while securing affordable energy!*

### DISCLAIMER

- Due to limited funds, applicants may not be financed for their full financing requirements.



## CONTACT DETAILS

### GAUTENG

#### PRETORIA (HEAD OFFICE)

**Tel:** (012) 686 0500

**Address:** 272 West Avenue Lakefield Office Park, Building A, 1st Floor, Die Hoewes, Centurion.

### LIMPOPO

#### POLOKWANE

**Tel:** (015) 287 9840 / 015 230 0270

**Fax:** (015) 287 9899

**Address:** Moolpark 700 Building 27 Market Street, Corner Rabe and Market Street

### NORTH WEST

#### VRYBURG

**Tel:** (053) 928 1700

**Fax:** (053) 927 2952

**Address:** 39 Market Street, Vryburg 8601

### FREE STATE

#### BLOEMFONTEIN

**Tel:** (051) 404 1400

**Fax:** (051) 447 7718

**Address:** 78 St Andrew Street, Bloemfontein 9300

### KWA-ZULU NATAL

#### PIETERMARITZBURG

**Tel:** (033) 845 9600

**Fax:** (033) 845 9610

**Address:** Office Suite A3, Maritzburg Arch, 39/45 Chief Albert Luthuli Street, Pietermaritzburg 3201

### MPUMALANGA

#### NELSPRUIT

**Tel:** (013) 754 2400

**Fax:** (013) 752 6134

**Address:** 16 Ferreira Street, Nelspruit 1200

### WESTERN CAPE

#### CAPE TOWN

**Tel:** (021) 974 2200

**Fax:** (021) 974 2210

**Address:** Belvedere Office Park, Block C, Pasita Road, Durbanville 7550

### EASTERN CAPE

#### EAST LONDON

**Tel:** (043) 706 8600

**Fax:** (043) 721 0717

**Address:** Hammer Mill House, The Quarry Office Park, Selbourne, East London 5241

### NORTHERN CAPE

#### UPINGTON

**Tel:** (054) 338 8400

**Fax:** (054) 332 5731

**Address:** 55 Schroder Street, Upington 8800

## HOW TO APPLY TO THE LAND BANK

Visit our local branches;

Log an enquiry via our website at [www.landbank.co.za](http://www.landbank.co.za) and contact provincial offices via our website at <https://landbank.co.za/Pages/Contact-Us.aspx>