

Major banks will continue to finance farms

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South African major commercial banks remain committed to discussing short and long-term business plans with farmers, revealed a joint statement by the commercial farmers' body Agri SA and the Agricultural Business Chamber (Agbiz). This following a meeting with the banks to weigh assurances of financial availability and support for members.

Both Hans van der Merwe, Agri SA executive director and John Purchase, Agbiz chief executive officer, said the banks agreed in their meeting that they would finance expansion projects in farms, including those claimed under the restitution programme.

"Current market conditions instill confidence for investment in agriculture, and financial institutions consider agriculture as one of their preferred sectors," the statement said. As a result, both organisations called for the continuation the fair market value of land, saying this remained an important prerequisite in creating confidence in financiers and investors in agriculture.

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