

SA farmers to benefit from US agency fund

South African agribusinesses struggling to raise funds to expand into neighbouring states should get a boost following the establishment of the Strategic Partnership Grant Fund by a US aid agency.

By Hopewell Radebe^{4 Jul 2012}

The US Agency for International Development has made available US\$800000 in grant funds, and a maximum of \$100000 could be awarded to deserving projects.

Eligible companies can apply for a grant from the Southern Africa Trade Hub, which administers the fund.

The initiative comes amid calls by the Agriculture Business Chamber (Agbiz) and lobby groups such as AgriSA for the establishment of a Southern African regional agricultural market with sufficient infrastructure for storage and transport.

Agbiz CEO John Purchase said the chamber has an agreement with the trade hub to support some of the chamber's programmes on a "moral basis", rather than a contractual or monetary basis.

"We believe the way to greater prosperity for all is through increased investment and trade - which are the two engines of growth," Purchase said.

According to the trade hub, the fund has been established to focus on South African companies as catalysts for increasing trade capacity in agricultural value chains in Southern Africa.

An African trade specialist at the Agriculture Business Chamber, Herbert Maluleke, said the fund was meant to support initiatives for a more integrated region to increase international competitiveness, intra-regional trade, and food security.

"The fund will benefit both local agribusiness and farmers, including linking previously disadvantaged farmers with the markets. It will also help establish the regional agribusiness sector by mitigating financial risk faced by South African agribusiness in the region," said Maluleke.

The fund is targeting businesses that are engaged in operations that can be "transferred to other Southern African Development Community countries" and were planning to expand their trade in agricultural products.

The hub is also hoping that the initiative will accelerate the transfer of skills leading to improved production including inputs, processing, storage, analysis and marketing technologies, and other innovations in the agricultural supply chains, particularly in the grains and legumes sectors.

Source: *Business Day*