Briefing to the PC on the Black Industrialists – Food and Energy sectors

Presentation by the dtic, Industrial Development Corporation and the National Empowerment Fund

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the dtic - together, growing the economy

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Presentation outline and context

01 • Introduction
02 • Evolution of Transformation
03 • The 10 Core Outputs
04 • Other measures complementing BI
05 • Black Industrialists in Sectors
06 . Focus of this presentation
07 • Case Studies: Food and Energy



1. Introduction

The Black Industrialists Policy

- The initial transformation policies post 1994 focused largely on enabling black South Africans to obtain a non-controlling stake or equity in existing enterprises. It did not address the need to focus on new enterprise development nor to promote businesses controlled by black South Africans.
- In 2015, Cabinet approved the Black Industrialists Policy, which seeks to increase participation of black South Africans in ownership and control of productive enterprises in key sectors and value chains of the economy.
- **the dtic** advances the objectives of the Black Industrialists Policy through grant funding to applicants in key, productive sectors of the economy.
- The Industrial Development Corporation (IDC) and the National Empowerment Fund (NEF) provide funding to eligible black entrepreneurs, including those who would have had difficulty obtaining funding from commercial banks.

Transformation

Economic transformation is wider than B-BBEE policies and embraces a number of elements, including:

- Transforming the structure of the economy to grow faster and more inclusively e.g addressing high levels of market concentration (including through competition policies)
- Shifting the dependence on export of raw materials and building a more balanced, dynamic economy (industrial policies)
- Promoting the participation of black South Africans, women and young people in the economy, to broaden the base of entrepreneurship and promote fairness (including B-BBEE policies).

Empowerment has evolved into a policy that has multiple objectives within an over-arching policy thrust:

- First, it is about **redress** to deal with the history of exclusion and the legacy it has left
- Second, it lays the foundation for deeper growth through greater economic inclusion that widens the talent pool of enterprise drawn from black South Africans, women and young people; and
- Third, it is increasingly about addressing the **high inequalities** in our society, a challenge many more countries now face, associated with globalisation's impact in different parts of the world.

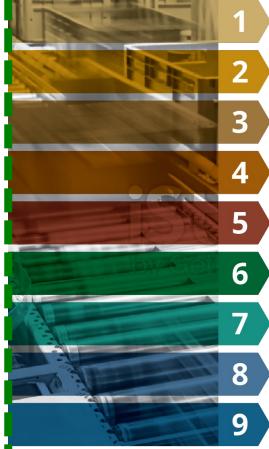
Evolution of empowerment policies

The focus of empowerment has expanded over time:

- First, individual share ownership, typically a non-controlling share within an existing business, which helped the process of capital accumulation in the hands of black South Africans;
- Second, broad-based empowerment made up of communities, consortia of women or youth and collective investment and empowerment vehicles, with key social programs funded through these (e.g community bursary schemes);
- Third, a focus on black **industrialists**, enabling individual black entrepreneurs with a controlling stake in a company, often with executive management involvement and in new firms;
- Fourth, the expansion to ownership by the **employees** of a company; and developing an inclusive South African model, shifting from an adversarial approach on the shop-floor.

Pillars of Transformation Economic Instruments

NINE PILLARS PROMOTING TRANSFORMATION



Industrial Financing (SMMEs and Districts)

Sector Master Plans and Localisation

- Competition Settlements and Market Access
- **B-BBEE Codes and Charters**
- Equity Equivalent Investment Programme
- Special Economic Zones and Industrial Parks
- **State Preferential Procurement**
- Black Industrial Policy
- Inclusive Worker Model

The Black Industrialists Policy is just one pillar of the wider transformation mandate.

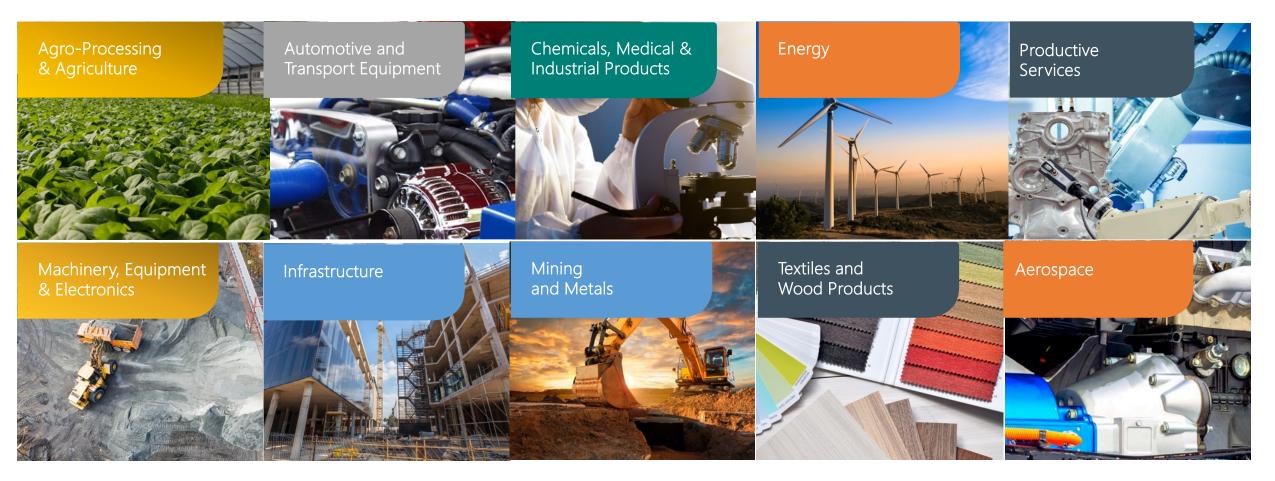
Other transformation economic instruments are shown in the accompanying image.

The 10 core dtic 2023/24 APP outputs include a focus on BIs



Black Industrialist Operating Across Industries

Funding is provided to Black Industrialists across a number of pivotal industries:



Industries and Products Supported

Some examples of products supported per industry include:

- **Agro-processing** products such as castor oil, fruit juices, condiments and chicken products;
- Automotive components such as coil pressing, plastic injection moulded sub-components, pressed steel sub-components, nuts, and bolts;
- Textiles and wood products include man-made fibres, textiles, clothing, cotton yarn and footwear;
- **Steel and metal fabrication** products include a variety of fabricated components mainly used in the construction and automotive industries;
- Mining and mineral beneficiation products include mined coal, lignite, and precious fine chemicals;
- **Machinery and equipment** products include manufacturing of mining and construction equipment, pumps, compressors, taps, and valves
- Aerospace equipment and technology

The Black Industrialist programme is one element in a number of recent interventions to expand equity and jobs in the economy. Other elements to balance and complement these and reach a wider layer of South Africans, are:

- Worker/Employee Share Ownership advanced through agreements reached with merging parties and the dtic to introduce or increase worker ownership. It broadens the base of ownership and builds non-racial workforce access based on economic status;
- The Social Employment Fund to provide community members both exposure to a work environment plus the production of socially useful services and products, including health awareness, food production, literacy, etc;
- Energy Support measures for businesses affected by load shedding including SMMEs;
- Skills Development Support through programmes to promote spending on training as part of the B-BBEE Codes.

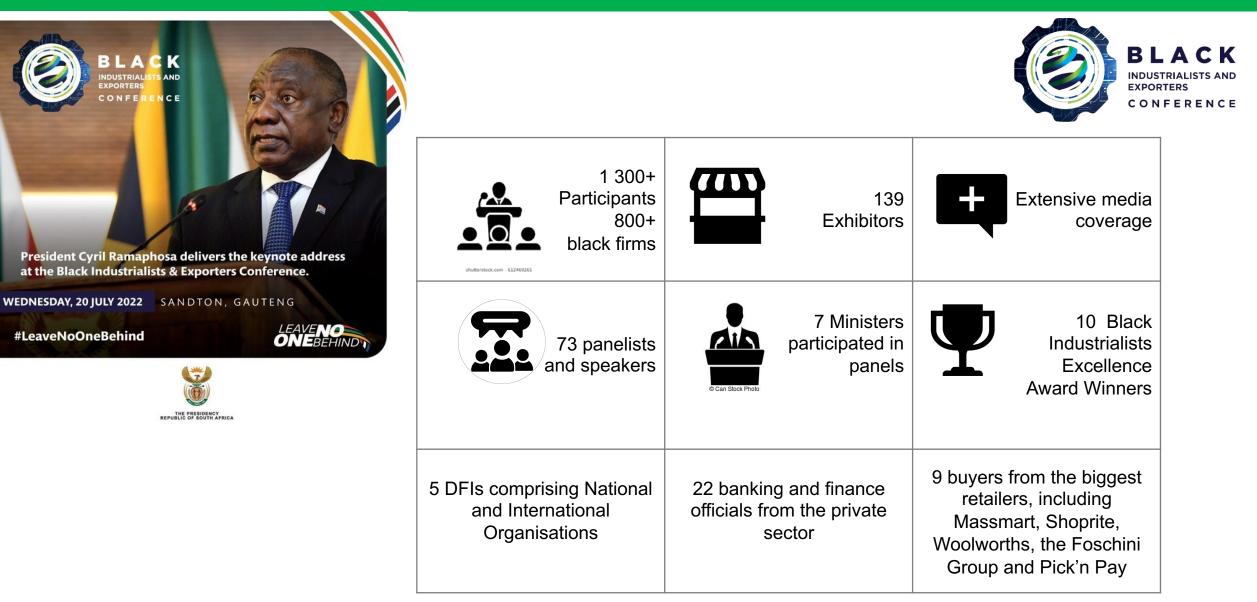
The BI programme consists of a number of elements, including financial and non-financial ones, such as:

- Business grants (a small portion of the total; with a shift away from this);
- Business loans, the predominant form of financial support;
- Networks, such as the Black Exporter Network;
- Private sector supplier development programmes, typically through competition public interest conditions;
- Skills and business development support;
- Export marketing support to improve market access.

This BI Presentation

- For this presentation, the focus is on two critical sectors: black industrialists in the food and energy sectors, covering 46 case studies.
- Reporting on other sectors will be made in **the dtic**-group quarterly reports. By Quarter 4, it will have covered at least 200 case studies.
- **the dtic** is also conducting a Black Industrialist Census, which is expected to be completed by Quarter 4.
- **the dtic** will be hosting the next Black Industrialist Conference during this financial year, which will offer a platform to highlight successes, point to challenges and draw lessons for the next phase.

A RECAP: 2022 Black Industrialists and Exporter Conference





The Black Industrialist and Black Exporters Conference comprised 5

distinct platforms:

- One: a major Forum of discussions
- **Two:** the launch of **Networks** of support events with the President
- Three: a Marketplace of black industrialist exhibitors
- Four: Awards of Excellence
- Five: an Information, media, and public awareness platform

RECAP: Marketplace of Exhibitors

The exhibition included the participation of **businesses in among others** in the following sectors:

- Agriculture and Agro-Processing (30)
- Energy, Oil and Gas (6)
- Automotive (5)
- Chemicals, Plastics and Packaging (9)
- o Cosmetics (8)
- Fashion, Clothing, Footwear & Leather (32)
- Film (4)
- Furniture (6)
- General Manufacturing (12)
- Innovation and Technology (7)
- Metal and Mining Services (20)

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Food and Agro-Processing

Invests in the development of projects and businesses that either create new or expand local manufacturing capacity-which often results in the creation of new jobs.

- The presentation showcases a number of businesses in the food sector
- There is a special focus on the poultry industry, to provide feedback on the impact of the Poultry Masterplan
- The presentation shows that black industrialists are contributing to food security, export earnings, job creation and ensuring nutritious meals for all South Africans

Matumaini Farming (Pty) Ltd is a 100% black owned entity established by Mr. Moosa Daniel Ntimba. The entity's core business entails growing broiler chickens, slaughtering and distribution of high-quality products to its customers mainly in the Lowveld parts of Mpumalanga Province. The abattoir is fully certified and Halaal accredited.

Matumaini products are tailor-made to customer specification with the product range as follows: fresh whole birds and freshly cut chicken portions.

The NEF approved loan funding which was used for establishment of an abattoir and purchase of production inputs.

Investing into this company resulted in creation of 106 permanent jobs.

- Moosa Daniel Ntimba
- Mpumalanga
- 106 jobs supported
- IDC





Matumaini Farming house

Staff processing the chicken



Babirwa Fruit Exports is 100% black owned by the Mogashoa family trust. The family purchased the farm, which is located in Worcester in the Western Cape, in 2015. The farm plants and packages grapes for the export market. The project was approved for funding for machinery, equipment, and Land and Buildings.

The construction of the pack house for packaging of grapes and pears was completed and 126 new jobs was created. The project enabled the company to export the grapes to the European Union, Middle East, United Kingdom and South Asia. As of 2023, the company is also exporting to the United States of America. Babirwa is producing 230 000 cartons of grapes per year.

- Tebogo Mogashoa
- Babirwa Fruit Exports
- Worcester, Western Cape
- Jobs: 126 supported
- the dtic grant funding



Black Industrialists Manufacturing Maize Meal Snacks



Eldorado Foods (Pty) Ltd is a 100% Black owned food manufacturing plant. The company is based in Johannesburg, Gauteng. The expansion project was approved for funding by the Black Industrialists Scheme (BIS) for manufacturing equipment to produce maize meal snacks. The company sources 100% of their raw materials/inputs from the local maize meal producers.

Black Industrialist

- Mr Ismail Ahmed
- Eldorado Foods
- Gauteng
- 227 jobs supported
- the dtic Black
 Industrialist Scheme

The production facility is fully operational and commercial and 227 jobs were created of which 156 are supported through the BIS. The majority of employees is sourced from the Mansfield informal settlement as well as the Eldorado Park and Freedom Park townships. Eldorado Foods exports its products to the SADC: Mozambique, Malawi, Botswana and Lesotho.





Majesty Oil Mills

received the dtic funding for machinery and equipment and owned buildings. The project is an expansion of an existing facility which currently employs 314 people.

The plant was commissioned and is processing soya seeds to produce soya oil and mince products as well as soya cakes for animal feed. The plant is also processing sunflower seeds to produce sunflower oil.

- Dhayananthan Pillay
- Majestic Oil Mills
- Gauteng
- 314 jobs supported
- the dtic Black
 Industrialist Scheme

KMF Holdings is a mixed agriculture business comprising a poultry operation, three cattle studs, and cash-crop farming of maize and sunflowers. It owns most of the 3 500ha of land on which it operates in Lichtenburg and the Magaliesberg, having acquired properties in 2014, 2016, and 2019, and leasing more land in 2020.

KMF is now poised for the next major step in its evolution, with the support of the IDC. Funding approved is being used to build a red-meat abattoir, a feedlot, and a rendering plant, facilities necessary for KMF to successfully grow into its next phase. The funding will allow KFM to supply customers directly. Once its facilities are operational, KMF will be able to directly supply retailers, wholesalers, and butchers, and build an export market for itself.

KMF's growth trajectory means a leap in job creation, too, and an expected 104 positions will be added to the current 40. While the new jobs will primarily be for farmworkers and managers, KMF will be growing its administrative capacity as well. Employees are given inservice training on the farms.

- Obakeng Mfikwe
- Lichtenburg, North West
- 144 jobs supported
- IDC funding



Dr Obakeng Mfikwe

Micawber, trading as The Noodle Factory is located in Phillipi, a township in Cape Town. From employing fewer than 10 staff in 2012, Micawber currently employs 300 full-time workers of which 95% are women.

The company hires unskilled employees and skills them with training and work experience in the food industry.

The project started in 2012 with the production of less than 60 000 packets of noodles a day. With the commissioning of the expansion production line in 2018/19, through the dtic Black Industrialists funding, the production capacity was increased to over **a million packets per day**.

Micawber sources 100% of their raw materials for the production of noodles locally. The products include instant noodles in a bag and cup, bowl, and dried noodles. New products include pasta and instant pasta.

- Mohammed Shakiel
 Parker
- The Noodle Factory
- Philippi, Western Cape
- 300 jobs supported
- IDC funding and the dtic



Instant Noodles in a pack

Roadgrass Investments is a 100% black-owned and managed agri-business, established 15 years ago by the Mabogoane Family. The farming operation's activities comprise broiler production, as well as livestock operations including cattle, sheep, ducks and goats. The main products Roadgrass sells are broiler chickens. The business runs a fully commercial chicken broiler business in Delmas, Mpumalanga and livestock operations in Balfour, Mpumalanga. The chickens are sold typically at approximately 33 days old which is the normal age for slaughter ready broilers in South Africa.

This investment is aligned with IDC's strategy as it supports a 100% black-owned agricultural enterprise, engendering inclusive development and allowing black industrialists to further entrench themselves in the sector, which (poultry) is known to be the biggest sector within the agricultural sector of South Africa in terms of production. This project also falls In line with the Poultry Master Plan and increases the number of slaughter birds coming from black poultry producers in the industry.

- Mabogoane Family
- Delmas, Mpumalanga
- 21 jobs supported
- IDC funding



Women Owned Black Industrialist Operating in Piggery Industry



Dreamland Piggery is a black-owned company with 70% women ownership and 30% youth ownership, based at 94 Kaalplaats, Vanderbijlpark, Gauteng. Dreamland is one of the rural development reform projects of the Department of Agriculture, Forestry and Fisheries in which the company has a 30 year lease agreement to operate on the farm land.

The company's productions is divided into maize production, feed production, piggery and an abattoir. The company grows the feed for the piggery, slaughters pork carcasses at the abattoir and sell to various markets that comprise of retailers, including Massmart and other local medium scale meat processors. **the dtic**, through the Black Industrialist Scheme and the IDC is funding the company's expansion project as the demand for its products has escalated. Dreamland currently employs 40 people and expansion project once completed, is expected to create an additional 11 new jobs. The employment uptake is from the surrounding farming communities of the Kaalplaats and the neibouring communities of the Barage informal settlement and Bophelong Township.

- Ms Anna Phosa
- Dreamlands Piggery
- Gauteng
- 40 jobs supported
- the dtic Black
 Industrialist Scheme



Parker Family Foods CC, trading as Florida Foods, is a 100% black owned manufacturer of premium brand chicken and beef products.

Florida Foods was incorporated in 1996, when the investee took a bold step to open a Meat Market close to Parow, in an area called Florida. There has been an increasing demand for quality and affordable chicken and meat products by South African consumers and particularly in the LSM 3 to 10 categories and a growing trend for increased demand amongst the upper end of the market as well.

The funding assisted Parker Foods in maintaining 59 jobs and creating 84 jobs.

- Mr Jamal Parker
- Parker Family Foods
- Parow, Western Cape
- 143 jobs supported
- NEF funding



Employees at the Florida Factory packaging department

Moatswi T Enterprises is a broiler operator, founded by Mr and Mrs Kgomongwe and is a 100% black-owned and managed business based in Zeerust, North West.

The business currently has 2 broiler houses producing 80,000 chickens per cycle and they have received loan funding from the IDC for the establishment of 4 new broiler houses, at 40 000 birds per house per cycle; to fulfil a contract signed for **320 000** birds per cycle. These new broiler houses will be built using new technology (closed environment broiler house) which will enable Moatswi to improve their operational efficiency and reduce the mortality rates.

The strategic importance of the poultry industry in SA is that it contributes towards the stability and sustainability of food supply, therefore ensuring food security. This transaction also supports the Poultry Master Plan's objectives of transforming this sector by supporting black-owned enterprises.

- Mr and Mrs Kgomongwe
- Zeerust, North West
- 8 jobs supported
- IDC funding



Northroost (Pty) Ltd is a start-up agri-business which operates a commercial Hatchery business in Makhado, Limpopo. The business is owned and operated by Mr Clive Tigere, an experienced 28-year-old youth farmer, who supplies the formal and independent market in and around Limpopo.

After identifying the large gap and opportunity in the lack of supply of day old chicks (DOCs), Mr Tigere established his company in 2017 in his house garage where he initially hatched 1000 eggs a week and has built the business to its current size.

With the vision to expand and grow the business to be the largest hatchery in Limpopo province, he entered into a strategic partnership with two established integrated poultry businesses, who will provide technical support to the newly formed Northroost.

With the support of IDC funding, Northroost will produce close to 200,000 DOCs a week, which will be the second largest hatchery in Limpopo. The business will also be hatching fertile eggs that are received from its suppliers and supply day-old-chicks to the market. This investment is aligned with IDC's strategy and South Africa's Poultry Master Plan to increase the participation of black farmers in the integration of the poultry value chain in the industry and allow black industrialists to further entrench themselves in the sector.

- Mr Clive Tigere
- Makhado, Limpopo
- 22 jobs supported
- IDC funding





Oya Foods was conceptualised during the lock-down brought about by the Covid- 19 pandemic in 2020. The firm manufactures long shelf-life, ready-to-eat and ready-to-cook, plant based foods and snacks, for the health conscious consumer.

Products include dried vegetables, vegetable powders, beverages (ready to drink) and snacks, pestos and sauces, as well as chocolates.



Rehema Isa and Lebo Biko - GAUTENG



Vaphi & Mnomana (Pty) Ltd is 100% owned and managed by a young black woman, Ms. Naledi Ntondini. The business is based in Benoni under the City of Ekurhuleni Metropolitan Municipality focusing in the primary and secondary segment of the poultry sector.

The business' products will be day old chicks, slaughtered fresh chicken, live chickens and miscellaneous products, i.e., chicken insides (mala) and chicken manure. Ms. Ntondini is running a farm that has four (4) chicken houses with a holding capacity of 30 000 broilers, workers accommodation, hatchery building and equipment.

The NEF approved loan funding which was utilised for asset acquisition, production inputs and working capital.

- Ms Naledi Ntondini
- Benoni Gauteng
- 21 jobs supported
- NEF funding



Vaphi & Mnomana: broiler house



Black industrialists Terence Pokane Leluma, and Phumzile Portia Nkomo started **Makhamisa Foods** in 2015, specialising in creating their own brand of flavoured food sauces such as Jalapeno and Pickled Vegetables.

They company built a 12 000 square-meter facility and installed new equipment and technology with the funding. The plant was commissioned in 2019. The funding helped Makhamisa Foods with a capital injection for operational costs, purchase equipment, and lease factory space in the newly built on-site production facility. Despite COVID-19, the company continued to operate and was able to employ three new people during this time.

- Terence Pokane Leluma,
 Phumzile Portia Nkomo
- Makhamisa Foods
- Ormonde, Gauteng
- 33 jobs created
- IDC/the dtic funding



Wynfoods (Pty) Ltd is a 100% black woman-owned and managed business. The business is based at Alexandra Township. Wynfoods deals primarily in processing chicken, producing Individually Quick Frozen (IQF) portions for a wide market range, including restaurants, butcheries, distributors and direct retailers.

They also have a retail store which services the Alexandra community with chicken at factory prices. Their main clients include Cambridge Foods, Romans Pizza, Papachinos, Vassco Distributors & Meat Express.

The company has also been a victim of the vandalism that was caused by the riots in Alexandra township. The NEF approved funding, with the purpose to assist the company recover from the aftermath of the riots by replacing equipment and shop fitting, replace stock and assist with other working capital requirements. With the funding the company re-employed 60 staff members and created five (5) additional jobs.

- Zanele Zungu
- Wynfoods
- Alexandra, Gauteng
- 65 jobs supported
- NEF funding



Osman's Spice Works Group is a family-owned business managed by Nazreen Hassim, Razeena Osman, and Rishaad Osman. The trio took over the business from their father Mr Ismail Osman, the founder of the business.

The Osman's brand has become a household name and is one of the leading, independently owned manufacturer, retailer and distributor of spices, rice, beans, pulses, and lentils.

The company's manufacturing, retail, and distribution activities are conducted at shared premises in Sirdar Road (Clairwood). This area was severely impacted by floods and this disrupted production and packaging lines.

IDC funding has enabled the company to restore its production capacity, helping clear the backlog in its order book. Most importantly, the funding helped the company return its entire staff complement. In addition, this funding also helped Osman's spices replace some critical machinery and equipment.

- Osman family
- Clairwood, KwaZulu-Natal
- 68 jobs supported
- IDC funding



Primo Poultry 121 (Pty) Ltd is a start-up commercial broiler operator, 100% owned by Primo Holdings 121 (Pty) Ltd.

The IDC has approved funding for Primo Poultry 121 to acquire the farmland, existing 4 broiler houses (3 curtain houses and 1 environmentally controlled house) and broiler operational assets. The funding will also be used to upgrade the 3 curtain broiler houses to be environmentally controlled and expand production capacity by building new 5 environmentally controlled broiler houses, thereby increasing broiler production capacity from 130 000 to 410 000 birds per cycle. Adopting environmentally controlled houses improves the general welfare of the birds, reduces the use of agrochemicals to maintain flock health and improves the quality of meat supplied to end customers.

The strategic importance of the poultry industry in SA contributes towards the stability and sustainable food supply, ensuring food security, likewise, a demise in this industry will lead to an impoverished and dependent country in food security. This transaction also contributes to the increase of broiler production in SA and promotes Industry transformation by supporting an emerging black industrialist.

- Mr. Kobedi Pilane
- Primo Holdings 121 (Pty) Ltd
- 22 jobs supported
- IDC



Egg producer Mr Kobedi Pilane



Ms Lebogang Nkanyezi is a poultry farmer based in Tjakastad, Chief Albert Luthuli local municipality in Mpumalanga. She is the sole owner of the **Nkanyezi Chicken farm**. The farm was supported to acquire a new hatchery infrastructure with 5 200 hatching capacity. The project is estimated to create 4 new jobs as part of the industry's masterplan commitment to grow poultry production.





Pumla Holdings (Pty) Ltd, is a 100% black-owned company in the Agro Processing Sector. The company is based in the East London IDZ, Buffalo City Metropolitan Municipality, Eastern Cape, is a new project to produce and package frozen french fries.

Pumla Holdings will procure 100% of raw materials (potatoes, sunflower oil, plastics, and bags) from local black suppliers. It will create 72 jobs within the Buffalo City Metropolitan area over the next two years, which is experiencing high unemployment. 67% of frozen fries are imported from Netherlands, Germany and Belgium.

Through this project, the company will replace 15,000 tonnes of imports from mainly the European countries with an estimated value of R351.7 million over the next three years.

- Ncedisa Gongxeka
- Pumla Holdings
- East London, Eastern Cape
- 72 jobs to be supported
- the dtic grant funding



Khepri Innovations, based in Kagiso township, West Rand District Municipality, Gauteng, is a black-owned company manufacturing animal feed and fertilisers.

Khepri collects high-volume organic waste (hazardous to the environment when dumped into water sources) from butcheries and abattoirs and converts it into commercial vermicompost for the plant growing and animal feed industries.

The co-investors are SAB Foundation, Diego Trust, and Department of Science & Technology.

Black Industrialist

- Mr Bandile Dlabantu
- Khepri Innovations
- Kagiso Township, Gauteng
- 9 jobs supported
- the dtic grant funding





Grower meal

Khepri broiler starter

Anchor Foods (Pty) Ltd, processes cooked meats such as viennas, russians and polony. The project was approved for BIS to expand existing operations through the purchase of machinery and equipment as well as leased buildings.

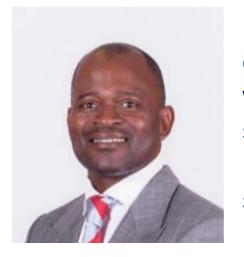
This resulted in improved production quality, the prevention of listeria and other bacteria growth as well as improved energy efficient. The upgrade facility, which complies with health and safety accreditations has enabled accessing new markets and hence the need for new employees.

The current jobs in the company is 151 new jobs and new markets includes 71 Shoprite stores, Spar and Foodlovers Market outlets across the Eastern and Western Cape.

- Roger Warr
- Anchor Foods
- 151 jobs supported
- the dtic grant funding







Mr Tshililo Ramabulana established **Olive Black Invest** when he saw an opportunity to start producing dried fruit and processing fruit to make juice, to supply a company in which he has a minority stake -

Cape Dried Fruit Packers South Africa, the second largest exporter of Cape dried fruit.

IDC funding helped Mr Ramabulana finance the acquisition of a factory and provide working capital, which resulted in the founding of Olive Black Invest and the creation of 45 jobs.

- Tshililo Ronald Ramabulana
- Olive Black Invest
- Levubu, Limpopo
- 45 jobs created
- IDC funding





Mr Ntokozo Hlatshwayo, an entrepreneur with a BSc in Food Science specialising in dairy, established **AH Novation** 2016.

The firm produces stabiliser from corn starch, gelatines among other things and is used to provide

texture, structure and product classification to dairy products

IDC funding helped the company automate its packaging line to remove bottlenecks in their production process. The project has been implemented and is operational with the exception of a packaging machine whose installation was delayed as a result of the Covid-19 pandemic.

- Ntokonzo Hlatshwayo
- AH Novation
- Johannesburg, Gauteng
- Jobs: 10 created
- IDC funding



Thiel Farming is a 100% black woman-owned business which is run and managed by Dr Kgomotso Monare. The production model to be adopted in this project is a contract grower system with EVP in Haartebeespoort, with EVP due to provide day-old chicks, medication, feeds, market, transportation for the ready to slaughter chickens and technical support.

The IDC has provided funding for the purposes of constructing environmentally controlled chicken houses, CAPEX (including a solar panel system), as well as working capital. The project will include the installation of 180kW solar panel system, which is expected to generate electricity cost savings

- Dr Kgomotso Monare
- Haartebeespoort, North West
- 24 jobs supported
- IDC funding





The Sambo family established **Ikhwezi Agro Holdings** (IAH) - a primary agriculture cooperative.

It produces various vegetables, which it sells to local markets in Mpumalanga.

IAH has grown over the years and now produces a more diverse range of vegetables including butternut, spinach, green beans, tomatoes, peppers and karela, on communal land.

IDC funding will help IAH to expand - erecting shade-nets, a greenhouse, irrigation infrastructure and pack house.

- Bongani Sambo &
 Makhosazane Sambo
- Ikhwezi Agro Holdings (IAH)
- Malelane, Mpumalanga
- 70 jobs to be created
- IDC funding





In 2016, the Moloko family identified a market opportunity for an emerging black business in the egg production market.

Baramakama Poultry is a 100% black-owned, independent egg producer, packer, marketer and

distribution company operating from a rural village.

IDC funding assisted the company to construct an additional 5 hen houses and a packhouse to supplement the 7 hen houses that the business constructed using their own funds.

The increased capacity is assisting the company to access the formal market given the more predictable levels that they can supply.

- Solly Moloko
- Baramakama Poultry
- Moloto City, North West
- Jobs: 29 created
- IDC funding



Kubalele Farming (Pty) Ltd, constituted in 2019, is a 60% black-owned joint venture macadamia project between Mawulu Community, Isizwe Sonke Agricultural Group (ISAG) and CMF One (Pty) Ltd operating in the Mpumalanga Province of South Africa. The project targets to develop 123 ha of land under macadamia with the first phase of 28 ha already developed.

The client has requested funding to develop 95 hectares of macadamia nuts orchards and build a de-husking facility that will semi-process the harvested nuts and then dispatch them to the offtake for further processing.

Kubalele runs a Sustainability Programme which is aligned with the African National Development Plan and the United Nations Sustainable Development Goals 2030. The projects focus on the pressing issues that affect the Mawulu Community, and aim to alleviate poverty, improve nutrition and health, provide access to education and conserve natural resources through sustainable integrated farm management.

- Mpumalanga
- 53 jobs supported
- IDC funding



Frimax is a well-established, family owned manufacturer and distributor of potato, corn and maize chips located in Verulam, Kwa-Zulu Natal.

The Frimax chips brand has been around for almost 40 years and is a well-known product throughout South Africa. Frimax currently sells to major retail stores such as Shoprite, Checkers, Pick 'n Pay, Spar, and Makro as well as the informal business sector. The company has distribution centres throughout the country and also exports across SADC to Mauritius, Zimbabwe, Mozambique, Swaziland, and Lesotho.

Mahomed Haroon Essa started the business from humble beginnings in Pietermaritzburg in October 1982 and then relocated the business to Verulam in 1998. He grew up in the food and vegetable industry and had a passion to procure fruit and vegetable, which he supplied to the South African National Defence Force. He later decided to manufacture potato chips and his first potato chip was 130g packets.

- Frimax
- Verulam, KwaZulu-Natal
- 494 jobs supported
- IDC/the dtic funding



Frimax Foods managing director Baboo Essa, left, and operations director Shamir Essa

R42 Capital approached IDC to co-partner in funding the development of 120 ha Almonds and 20 ha early sweet Cherries. Almond tree nuts are a stone fruit, from the Rosaceae family, closest to the peach. Cherries are also stone fruit, grown and harvested fresh for consumption.

The funding received from the IDC will be used for land acquisition, soil preparation, orchard development, storage dam construction, irrigation system, maintenance of tree growth to a bearing stage and harvest. In the near future, the company aims to acquire a full 254 ha of agricultural land that will be utilized to plant an additional 120 ha of almonds and 20 ha of cherries.

The crops considered are traded globally, with SA aligned to global markets on both demand and prices. The final product in Almonds will be marketed in export markets, with ca 10% only earmarked for local consumption. The cherries however are 60% for local consumption, with 40% earmarked for export market.

- Mr. Oupa Magashula
- R42 Capital
- 20 jobs supported
- IDC funding



PMM Agri is a broiler contract-growing business that started operating in December 2021 that had 3 chicken houses with a capacity of 50 000 birds each. The IDC approved a funding for the development of three new chicken houses (50 000 birds capacity) which will ensure a total of 300 000 birds per cycle once completed. The entity is 100% woman owned and the support will create 40 new jobs by end of December 2023.

Situated in the Tzaneen Local Municipality, the project has signed a contract grower agreement with Bushvalley Chicken - a mid-tier partially integrated processor and marketer of poultry sourcing broiler chickens in the Tzaneen catchment area. The IDC support assists in the scaling-up and commercialization of black contract broiler farmers and increase annual poultry meat production by 2160 tons which displace imported meat.

- Dr Patience Lethabo Mlengana
- PMM Agri
- Tzaneen, Limpopo
- IDC funding





In 2008, Rashaad Musa and Ricardo Ferreira identified an opportunity to manufacture sauce products for the low- & middle-income markets.

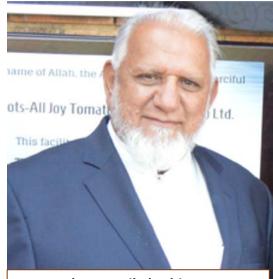
After initially producing only sauces, they diversified their product range to include jams and fruit juice nectars under the brand names Just Jam

and Just Nectar.

Saucy Secrets supplies supermarkets & caterers in the Eastern Cape. IDC funding enabled the company to obtain the necessary accreditations, expand its product lines and do print packaging in-house. This allowed the company to produce water, carbonated drinks, cordials and squashes in their product mix.

- Rashaad Musa
- Saucy Secrets
- Uitenhage, Eastern Cape
- 24 jobs created
- IDC/the dtic funding





Founder: Ismail Ebrahim Darsot

Eastern Trading is large producer of tomato paste in South Africa (producing All Joy tomato paste as one of its products). It has engaged 80 small and medium farmers in the Tzaneen area to supply them with tomatoes.

It received a grant from the **dtic's** Black Industrialist Scheme to support its expansion plans.

The funding was used to purchase machinery, equipment and commercial vehicles to support their tomato paste plant located in Tzaneen. This plant is currently producing 20 000 tons per month.

- Muhammed Naasif Darsot
- Eastern Trading (Pty) Ltd
- Tzaneen, Limpopo
- 400 jobs supported
- the dtic Black Industrialist
 Scheme





Prima Bake is a biscuit manufacturer.

Mr Shanawaaz Khan approached the IDC in order to help meet increasing demand by increasing his production capacity and supplying working capital to assist in buying raw materials such as flour, sugar, etc.

IDC provided funding for working capital and equipment. The funding allowed for increased margins and a more stable financial position for the company.

- Shanawaaz Khan/Fatima Patel
- Prima Bake
- Potchefstroom, North West
- 19 jobs created; 160 saved
- IDC funding



Coca-Cola competition conditions: Sugarcane farmers

Managed by majority shareholders, the Farm was struggling after the drought in 2015/16 which decimated their production. The Coca-Cola competition Fund assisted to enable the farm to:

- Purchase 2 sugarcane haulers contracted to transport sugarcane for surrounding small-scale growers to the mill.
- Reduce its transport costs.
- Purchase equipment to expand farming operations & maintain ratoons (new sprouts/ shoots from the crop).

M Bisunder

- Avir and Nish Bisunder
- 100% Black owned family famers
- Product: Sugarcane
- Grant and loan
- 15 permanent & 35 casual jobs





Avir and Nish Bisunder

Coca Cola competition conditions: Fruit farm

Stargrow-Klipfontein

Produces apples & pears mainly for export. Funding helped:

- To prepare land and plant trees, establishing 15ha of orchards;
- To buy and establish irrigation systems, a pump house, a poison store, a spray pump and a tractor; Export to various Africa countries Middle East and the European Union.





CCBSA merger agreement

- 58.2% Black-owned
- Stargrow-Klipfontein
- Product: Apples & pears
- Vyeboom area, Western Cape
- Grant and loan funding
- 12 Permanent Employees
- 30 to 50 Seasonal workers



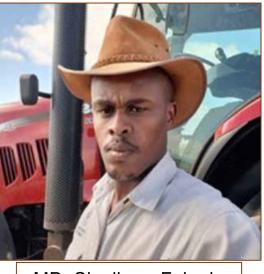
Coca Cola competition conditions: Grain farm

The Fund injected equity, into Rocky Park Farming Group.

With this assistance Sinelizwe Fakada was able to:

- Invest R11.2m in heavy duty equipment
- Develop 750ha
- Create employment for 23 people
- Crop production on dry land.





MD: Sinelizwe Fakade

Rocky Park Farming Group

- Rocky Park Farming Group established in September 2019
- Product: Maize, Sorghum, Millet, Soybean
- Ugie, Eastern Cape
- Share equity
- 7 permanent & 16 casual employees

Members of Rocky Park Farming Group

- Sinelizwi Fakade (Owner)
- Anovuyo Fakade(Operations manager)
- Lindelwa Mbande (Admin)

Coca Cola competition conditions: - Citrus farm

The farm produces citrus. A loan from the Coca-Cola Fund was used to:

- Plant 52ha of Valencia-type oranges under irrigation
- Grow citrus output by 25% over the next 5 years as the trees grow
 - Upgrade Eskom power supply and irrigation which will streamline irrigation schedules, saving water & electricity

Expansion programme led to the farm employing an additional :

- 31 Permanent employees
- 21 Seasonal workers.





Owner: Mzo Makhanya

Coca Cola competition conditions: Agro-Processing

Nirmala started in 2016 as a small operation selling homemade cold pressed juice to a few customers. Demand for the product grew and the company had to increase its production capacity.

With funding from Coca-Cola's Mintirho Fund, Nirmala Juice was able to:

- Move into a small factory and acquire equipment
- Set up stalls in malls
- Secure shelf space in major retailers (Spar Group).

Challenges addressed:

- First factory it moved to was too large, so it moved to a smaller factory. Staff was also reduced as operational expenses was too high. The move required a 2nd factory to be certified again, which come with costs not budgeted for.
- Closed down 2 kiosks as they were no longer profitable.



Nirmala Juice

- 100% Female Owned
- Nirmala Juice
- Product: Cold pressed
 fruit juice
- Pretoria
- Grant and loan funding
- Five employees



Owner: Motshabi Hlatshaneni

AB InBev competition conditions: Glass packaging for food

The glass container market in South Africa, consisted of Consol (~75%) and Nampak (~25%). In implementing the merger conditions, SAB and 2 Black Industrialists bought Nampack Glass, investing R1.5bn, to form Isanti Glass.

Isanti Glass is the 1st majority Black-owned industrial glass manufacturer in the country and produces 30% of glass containers in country. It is more than 60% Black-owned, 30% Black-women owned and 5% employee owned. Long term off-take agreement with SAB, as well as a Technical Support Agreement are in place.



- **Product: Glass packaging**
- Roodekop, Gauteng
- 690 jobs supported





Owner: Shakes Matiwaza



Owner: Deon Dhlomo

Food on the plate; and drinks for the nation

To put it differently, from the sample of firms represented here, black industrialists produce meals you can enjoy throughout the week:

- Chicken, which can be grilled, or braaied, or made into soups
 - Cooked with soya oil or sunflower oils
 - And grown with feed for the chickens
- Beef products and spices, with spinach, butternut and green beans
- Pizza toppings, pickled vegetables and pesto sauces, or two-minute noodles, eggs and chicken sausages, or maize that can be part of a pap and chicken meal
- Potato chips that can be eaten with tomato sauce or jalapeno
- For dessert: grapes, pears, cherries, citrus fruit and almonds; or dried fruits; or macadamia nuts and chocolates
- And perhaps less healthy: maize snacks and potato and corn chips, or biscuits, washed down with carbonated drinks or cordials
- All cooked or prepared with renewable energy produced by black industrialists

Complementing the BI – the Social Employment Fund (SEF): Seriti Institute



SEF provided funding to the Seriti Institute – an agency that facilitates development. It operates in all the provinces in South Africa.

The impact of the project thus far is in agriculture and food security where 22 hectares are under production in 139 communal gardens, benefitting more than 10,500 vulnerable households. Funds committed by SEF: R44,7 million Wage: R35,6 million Non-wage: R9.1 million

IMPACT

- + 22 Hectares under production in 139 communal gardens.
- 4 250 jobs created
- +415 000 Seedlings Planted
- R230 000 worth of crops harvested and distributed
- Youth 74% Women 65%



Social Employment Fund (SEF): Seriti Institute

Province	Jobs (n)	Jobs (%)
Gauteng	1,200	28%
Limpopo	1,100	26%
Northwest	850	20%
Mpumalanga	500	12%
KwaZulu-Natal	300	7%
Eastern Cape	200	5%
Western Cape	100	2%
TOTAL	4,250	100%

Majority of jobs (86%) created in Gauteng, Limpopo, Northwest and Mpumalanga









Social Employment Fund - Food

Site visit to Sungula Farms, Benoni.

Total participants: 33

Community Food Garden used for planting and farming of tomatoes, spinach, mushrooms, string beans, peas

Supplies to local Spar and Checkers, and other local establishments.



Spinach ready for harvesting

Mr Thami Biyela: Farm Manager. Ms. Shade Balogun: Senior Project Coordinator

Laying of irrigation and constructing of shade cloths, in preparation of planting of spinach

Energy

Facilitates South Africa's energy transition, ensuring sustainable energy security.

Black Industrialist Operating in the Renewable Energy Industry

Ario MetaPower is an ISO9001 certified power electronics manufacturer based in Tshwane. The company has developed the following products: *inverters* (Central Inverters, Solar String Inverters, Battery/Hybrid Inverters, DG Inverters and Hydro Turbine Inverters) which are critical components of a solar PV plant and *soft starters* that reduce the load behaviour of electrical motors and are approved for customer release under the Mitsubishi brand. They have also developed *rectifiers* that convert AC to DC current and provide reliable power to cellphone tower sites.

There is limited differentiation possible in terms of energy conversion for inverters. However, Ario Metapower's inverters can be configured to be grid-tied and to work off-grid and are able to partner with EPC clients to become their integration partners.

Ario Metapower's main target is to supply inverters for the REIPPPP Solar program of 6 GW over the next 8 years. It is one of the few local manufacturers of utilityscale inverters and is therefore focused on supplying the 5% local designated inverter content for the 1GW Solar REIPPP 5 Bid Window and exporting its products. The clean energy solutions industry development is a key focus area of the IDC, encompassing Energy Storage (linked to batteries), fuel cells and renewable inputs value chains which are aimed at achieving energy security, environmental sustainability, and economic development.

PROJECTED INDUSTRIAL OUTPUT	 6GW OVER THE NEXT 8 YEARS MANUFACTURE OF CA.50 PRE- COMMERCIALISATIO N UNITS.
JOB OPPORTUNITIES	47 PERMANENT, 258 AT SUB-CONTRACTORS MANUFACTURING SUB- ASSEMBLIES



Dr Ramatsela Masango

ario

Black Industrialist Operating in the Renewable Energy Industry

DLO Energy Solutions is a medium- and high-voltage power infrastructure Engineering Procurement and Construction (EPC) and Operation and Maintenance (O&M) service provider that specializes in protection and automation solutions. They operate under International Electrotechnical Commission (IEC) Standards and performs activities that include engineering design, manufacturing of protection panels, testing and commissioning of power plants.

The company has received financial support from the IDC in the form of working capital for the execution on its key contracts and funding operating expenses.

The transaction falls within the construction sector that is aligned with Infrastructure SBU strategy of supporting among others industrial activities related to energy security and generation, renewable transmission & distribution. The significance of this transaction is that it places black women and black men at the centre of the technical operations, innovation and engineering of power projects such as the Independent Power Producer Procurement Programme.

BLACK INDUSTRIALIST	MS LINDA MABHENA- OLAGUNJU AND MR AMOS MABENA
PROJECTED INDUSTRIAL OUTPUT	OPERATIONAL WIND FARMS(244MW) & SOLAR PV PROJECTS (35MW) UNDER DEVELOPMENT IN NIGERIA AND SOUTH AFRICA.
JOB OPPORTUNITIES	50



The IDC provided funding support to **H1 Kenhardt** for the construction of three 50MW Solar PV with Battery Energy Storage System (BESS) plants, totalling 150MW contracted capacity, in Kenhardt, Northern Cape.

This project is a joint venture between H1 and Scatec. H1 is a blackowned investment company founded in 2000 that has experience in constructing and operating both smaller-scale IPPs with private sector (Commercial and industrial) off-takers and utility-scale projects and has been involved in the development, construction, and operations for most of the projects. The company holds a 49% stake in the project.

Scatec is a Norwegian renewable energy project developer with a 3.5 GW installed capacity across four continents. Scatec entered the South African market in 2013 and has participated in government's Renewable Energy Program Bid Windows 3 and 4.

BLACK INDUSTRIALIST	REYBURN HENDRICKS
PROJECTED INDUSTRIAL OUTPUT	150 MW CAPACITY
JOB OPPORTUNITIES	259



Black Industrialist Operating in the Renewable Energy Industry

Sasol South Africa issued a proposal request for the design, finance, construction, operation, maintenance and ownership of facilities and connection infrastructure to supply it with green or renewable energy.

A consortium of companies including black-owned investment outfit, **Reatile Group**, won the bid for construction of Msenge Emoyeni which is a 69MW wind farm. Founded by black industrialist Simphiwe Mehlomakhulu in 2003, Reatile has made investments in the renewable energy sector over the years and now holds equity stakes in about 485MW of renewable energy projects currently in operation.

The Msenge Emoyeni wind farm is situated between Cookhouse and Bedford, in Blue Crane Route Local Municipality, Eastern Cape. This area forms part of the Cookhouse renewable energy development zone, a region which has been designated by government for development of renewable energy projects. The site also falls in the eastern corridor of the government designated strategic transmission corridors. Development is advanced, with most permits and authorisations already secured. With energy ranking high on the priority of sectors earmarked for funding, the IDC provided funding to Reatile Group for its equity in this project which will involve a strong local manufacturing and site services component.

PROJECTED INDUSTRIAL OUTPUT	69MW
JOB OPPORTUNITIES	183 CONSTRUCTION AND SEASONAL JOBS. 62 FULL TIME



ART Solar Black Industrialist Manufacturing Solar Panels

ARTsolar (Pty) Ltd is operating in the renewable energy sector. The company was approved for the Black Industrialists Scheme to expand its operations through the assembling of a new production facility and procuring new machinery and equipment that will produce photovoltaic solar modules. ARTsolar aims to increase the local capacity to meet the increasing demand for solar panels.

The company is currently retaining 60 baseline jobs. During and post the commissioning the project created 80 new jobs. Artsolar indicated that during the manufacturing process, the total jobs will increase to 220.

- Mr Eshu Seevnarayan
- ARTsolar
- New Germany, KwaZulu-Natal
- 220 jobs to be supported
- the dtic Black Industrialist
 Scheme



Black Industrialist Operating in the Renewable Energy





Pele Green Energy co-developed over 5MW of off grid generation capacity and aims to penetrate the global market. The company operates in the utility scale and off-grid projects. It was one of the first 28 preferred bidders in the first round of South Africa's renewable energy independent power producer procurement programme (REIPPP Programme) alongside Soitec, on the 36 MW Concentrated Solar PV project. It is 100 % black-owned and 20% women-owned.

RECAP: ENERGY ACTION PLAN - DTIC INTERVENTION

R1,3 billion Energy Resilience Scheme

the dtic, IDC and NEF established a blended funding facility to support companies affected by load shedding, which commenced April 2023.

- Working Capital to assist companies with alternative energy solution including solar PVs, inverters etc which may include other energy efficient interventions.
- ✓ Support provided to local component manufacturers of rooftop solar panels, battery storage, cabling and transformers.
- \checkmark The facility is priced at concessional rates for the period of the loan facility
- ✓ Through the IDC, a grant fund has been established to support township and rural businesses for capital equipment, technical support and non-financial assistance.







Global Wheel (Pty) Ltd is the largest manufacturer of commercial, agricultural, earthmoving and military steel wheels/rims in the Sub-Saharan region. It is 100% black-owned and managed business, located in Heidelberg, Gauteng.

Global Wheel's core competence is in designing and manufacturing a wide variety of high-quality steel rims.

The company employs about 193 people and has been in existence for over 44 years. With manufacturing based in Heidelberg, Johannesburg and operations in Zambia and Namibia, along with investment by the NEF, Global Wheel is set to become one of southern Africa's biggest empowerment enterprises in its sector. The transaction ensures the transformation of a foreign-owned manufacturing company, enabling black-ownership by Tamela Consortium, including black staff and local management.

The company was approved under the Energy Resilience Scheme for the procurement of solar panels, inverters, and batteries in order to enable the company to operate during loadshedding.

INDUSTRIAL OUTPUT	5 kw
ACTIVE JOBS	193



Types of wheels manufactured

Conclusion

- The presentation has identified 46 black industrialists firms that are in 2 sectors of the economy, namely food and energy.
- The next phase of work would be to expand the number of firms, and to scale up the size and impact of existing firms, including through promoting markets access
- Opportunities are possible through the AfCFTA, and through export to the EU/UK, China, the US, middle east and other parts of the world.

