

- undertake an investment project that should result in retaining and creating direct employment;
- indicate that the project will be able to boost the local capacity of identified product(s) or, where possible, prospects of export orientation;
- adhere to sectoral minimum wage and legislative requirements governing the sector;
- demonstrate that at least 50% of the inputs (raw materials) will be sourced from South African suppliers and at least 30% of the inputs will be sourced from black South African suppliers. Where inputs cannot be sourced locally and from black suppliers, applicants must provide a motivation, including a sourcing plan; and
- commencement date of the project or activities applied for must take place within 90 calendar days after the application has been approved.

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towards full-scale industrialisation and inclusive growth



AGRO-PROCESSING SUPPORT SCHEME



The Agro-Processing Support Scheme (APSS) aims to stimulate investment by South African agro-processing/beneficiation enterprises. Investments should demonstrate that they will achieve:

- Increased capacity
- Employment creation
- Modernised machinery and equipment
- Competitiveness and productivity improvement
- Broadening participation

Qualifying Processes and Projects

- New and existing agro-processing or beneficiation projects
- Post-harvest processing or beneficiation activities that result in value addition and/or enhanced storage life
- APSS will target five key sub-sectors:
 - Food and beverage value addition and processing (including black winemakers)
 - Furniture manufacturing
 - Fibre processing
 - Feed production
 - Fertilizer production

What APSS offers

The scheme offers a 20% to 30% cost-sharing grant to a maximum of R20 million over a two-year investment period. The grant percentage will differ according to the size of the enterprise and investment as indicated in the table below:

Type of Applicant	Historical costs of assets	Qualifying investment costs	Grant percentage	Maximum grant amount
New entity	N/A	R1 million to R10 million	30%	R3 million
Existing entity	≤ R10 million	R1 million to R10 million	30%	R3 million
New entity	N/A	>R10 million	20%	R20 million
Existing entity	>R10 million	>R10 million	20%	R20 million

The Department of Trade and Industry (**the dti**) may consider an additional 10% grant for projects that meet all Economic Benefit Criteria listed in the table below:

Criteria	Description
Employment	Increase base-year employment by at least 25%
Transformation	Achieve a level 1 on B-BBEE Codes of Good Practice
Geographical spread	Projects located in state-owned industrial parks or areas where unemployment is higher than 25%
Local procurement	Procuring at least 70% of inputs or locally manufactured equipment and machinery

Qualifying Costs

- New machinery and equipment, tools and forklifts
- New commercial vehicles
- Buildings
- Competitiveness improvement interventions

Eligibility Criteria

- An applicant must submit a completed application form and business plan with detailed agro-processing/beneficiation activity(ies), budget plans and projected income statement and balance sheet for a period of at least three years for the project. The project/business must exhibit economic merit in

terms of sustainability.

- The application must be submitted within the designated application window period, prior to start of processing/beneficiation or undertaking activities being applied for. Any assets bought and taken into commercial use or competitiveness improvements costs incurred before applying for the incentive will be considered as non-qualifying.
- For existing entities, submit latest financial statements, reviewed by an independent external auditor or accredited person, not older than 18 months.
- The approved entity may not reduce its employment levels from the average employment levels for a 12-month period prior to the date of application, and these employment levels should be maintained for the duration of the incentive period/agreement.
- Minimum qualifying investment size, including competitiveness improvement cost, must be at least R1 million.

Mandatory Conditions

Applicants must:

- be a registered legal entity in South Africa;
- be a taxpayer in good standing;
- be involved in starting a new agro-processing/beneficiation operation or in expanding or upgrading an existing operation;
- be B-BBEE compliant in terms of the B-BBEE codes (achieve levels 1 to 4) and submit a valid B-BBEE certificate of compliance or affidavit;