

- undertake an investment project that should result in retaining and creating direct employment;
- capacity of identified product(s) or, where possible, prospects of export orientation;
- adhere to sectoral minimum wage and legislative
- 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















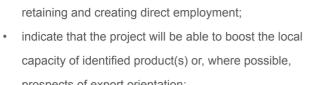


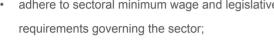


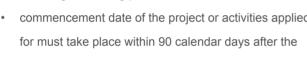


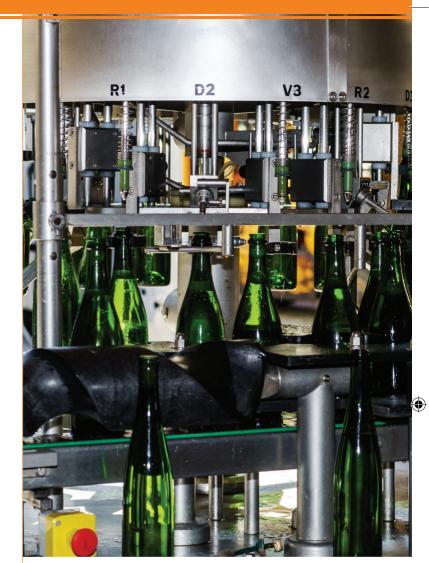












# **AGRO-PROCESSING** SUPPORT SCHEME





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	30%	R3 million
		R10 million		
Existing	≤ R10	R1 million to	30%	R3 million
entity	million	R10 million		
New entity	N/A	>R10 million	20%	R20 million
Existing	>R10 million	>R10 million	20%	R20 million
entity				

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 nonqualifying.
- 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;



