THE NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NO. 279

Ms H S Boshoff (Mpumalanga: DA) to ask the Minister of Trade, Industry and Competition:

(a) Which (i) agricultural and (ii) agro-processing value chain sectors benefitted through the National Empowerment Fund, (b) what amount each sector received for the (i) 2022/23 and (ii) 2023/24 financial years, (c) how many jobs were created in each of the sectors for the said financial years and (d) what was the return on investment in comparison with the actual disbursement for each of the sectors in each province? CW334E

Reply:

(a)   (i) and (ii)

Agriculture and agro-processing value chain industries that benefited through the National Empowerment Fund (NEF) include primary agriculture, agro-processing, retail/wholesale (tertiary), fishing, and transportation (tertiary). Some of the entities supported were involved in fruit and vegetables, food retail, transportation of agricultural products, vegetable farming, beef and poultry abattoirs and the production of various edible foods.

(b)   (i) and (ii)

The table below summarizes the investments per sector for the 2022/23 and 2023/24 financial years. In the 2022/23 financial year, the NEF invested a total of R102.12 million, while in the 2023/24 period, the investment amounted to R56.14 million, resulting in a combined total investment of R158.3 million over the two-year period.

These investments supported a total of 54 companies and cooperatives. It's important to note that some of these companies received funding across both financial years, as certain investments are disbursed in milestones, which can extend over a period of up to 18 months, depending on the nature of the project. This is particularly relevant for projects involving construction or where clients need to wait for the delivery of assets.

The cooperatives supported were mainly engaged in subsistence farming within the poultry, vegetable farming, and agro-processing sectors, collectively sustaining approximately 180 jobs. Furthermore, 71% of the cooperatives funded were women-owned, reflecting the NEF's ongoing commitment to empowering female entrepreneurs in the agricultural sector.

(c)   The table below shows the breakdown of jobs created per sector, totalling 1,181 in the 2022/23 financial year and 1,173 in 2023/24 across all sectors

Sector	2022/23		2023/24	
	Amount	Jobs	Amount	Jobs
Retail	27 590 166	234	23 128 654	1 085
Agro-processing	61 071 477	738	0	0
Primary agriculture	8 591 046	183	469 669	16
Fishing	4 863 632	26	1 543 969	12
Transport	0	0	31 000 000	60
TOTAL	102 116 321	1 181	56 142 292	1 173

(d)   The table below outlines the transactions disbursed by the NEF for agriculture and agro-processing projects across each province, along with the respective ROI. An average ROI of 6% was achieved for the 2023/24 financial year. Given that agricultural projects typically require grant/equity funding to ensure their sustainability, the NEF anticipates lower returns to support the sector. Despite this, the NEF remains committed to supporting clients in this vital and productive sector of the economy.

Province	Retail		Agro-processing		Primary agriculture		Fishing		Transport		TOTAL	
	Amount	ROI	Amount	ROI	Amount	ROI	Amount	ROI	Amount	ROI	Amount	ROI
EC	0		0		0		0		31 000 000	8%	31 000 000	8%
FS	18 128 654	6%	0		1 130 414	8%	0		0		19 259 068	7%
GP	18 758 133	7%	35 346 663	9%	756 009	9%	0		0		54 860 805	8%
KZN	6 846 049	4%	22 416 637	4%	6 665 309	2%	0		0		35 927 995	3%
LP	5 963 034	6%	1 618 157	0%	0		0		0		7 581 191	3%
MP	0		1 690 020	9%	508 983	0%	0		0		2 199 003	5%
NC	0		0		0		6 407 601	9%	0		6 407 601	9%
NW	1 022 950	7%	0		0		0		0		1 022 950	7%
WC	0		0		0		0		0		0	0%
TOTAL	50 718 820	6%	61 071 477	6%	9 060 716	5%	6 407 601	9%	31 000 000	8%	158 258 614	6%

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