



SA WINE
INDUSTRY
TRANSFORMATION

UNIT NPC

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SA Wine Industry Transformation Unit NPC

ANNUAL PROGRAMME STATEMENT

BLACK OWNED FARMS

Financial Year – 2023

1. Background, Purpose and Functions of the SA Wine Industry Transformation Unit

The SA Wine Industry Transformation Unit (SAWITU) is a Non - Profit Company Incorporated under the first schedule of the company's act of the Republic of South Africa. The TU was incorporated on 17th October 2016 by its founding members, the National Agricultural Marketing Council (NAMC), Vinpro and SA Liquor Brand Owners Association (SALBA).

The purpose of the company, as outlined in its Memorandum of Incorporation (17/10/2016) is as follows;

- 1.1** To Generate and promote equitable access and participation within the wine value chain in and for the Wine Industry;
- 1.2** To strengthen and accelerate the development of the operational and financial capacity of wine farms and businesses owned by Black People throughout the value chain in and for the Wine Industry;
- 1.3** To increase representation of Black People, with a specific focus on black women, at management level in wine cellars, wine businesses and industry organisations through industry programmes for human development in and for the Wine Industry;
- 1.4** To promote ethical practices within its community of stakeholders (including workers) through the implementation of well-integrated ethical trade programmes throughout the Wine Industry;
- 1.5** To become proactively involved in the upliftment and empowerment of workers and communities comprising of Black People within the Wine Industry
- 1.6** To promote socially responsible consumption of the produce of the vine;
- 1.7** To assist in the facilitation of an all-inclusive social compact for the Wine Industry
- 1.8** To implement and receive Levies as principal and/or agent, payable by different interest groups in the Wine Industry for purposes of the above-mentioned objectives;
- 1.9** To carry out in general administrative tasks and functions in the furtherance of its objectives.

In keeping with statutory requirements in terms of categories of allowable spending of statutory levy funding, please refer to the 2018 NAMC Generic Transformation Guidelines available online at <http://www.namc.co.za/wp-content/uploads/2018/06/NAMC-Generic-Transformation-Guidelines-as-amended-in-2018.pdf>. Though examples of support presented in these generic guidelines might differ from sector to sector, SAWITU commits itself to the agreed categories of spending in these Guidelines and strict alignment to the revised Agri-BEE codes available online at <https://bbbeecommission.co.za/wp-content/uploads/2017/12/AgriBEE-Final-08Dec2017.pdf>.

2. Background and Purpose of the Annual Programme Statement

Guided by its Memorandum of Incorporation and a Ministerial Mandate outlined in a four-year statutory levy approval dated 9th November 2017, SAWITU seeks from time to time to solicit proposals for funding and services to B-BBEE Level 1 and 2 stakeholders. Funding is granted to service providers or directly to businesses who can best affect the desired outputs defined in section 1 above. The purpose of the Annual Programme Statement is as follows;



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- 2.1** To convey the latest set of programme and funding intentions of SAWITU as solicited through input from Black Businesses, Labour, Wine Producers and Grape Producers.
 - 2.2** To convey to applicants the most recent set of funding rules as approved by the SAWITU which pertain to;
 - 2.2.1 Application Formats.
 - 2.2.2 Programme Definitions.
 - 2.2.3 Required Supporting Documents.
 - 2.2.4 Fiduciary Registration Criteria for Applicants.
 - 2.2.5 Application Adjudication Procedures
 - 2.3** To convey the TU calendar in terms of.
 - 2.3.1 Application deadlines
 - 2.3.2 Stakeholder engagement dates
 - 2.3.3 Stakeholder events that the SAWITU might support
 - 2.4** To provide clarity in terms of service providers and businesses that might qualify for funding or services from SAWITU.
- 3. Funding Rules**

The most recent version of the SAWITU Funding Rules (2023) is attached hereto as “Attachment 2. ”. SAWITU board members establishes the rules. They are strictly aligned to the NAMC Generic Guidelines of 2018 and the Agri-BEE sector codes as referenced in section 1 of this document. All applicants are to adhere to the rules stated in Attachment 2.

4. Call for proposals by category of organisational support

The following categories of organisation are invited to apply to SAWITU for funding. Applicants are urged to read the full set of funding rules attached hereto as Attachment 2 before embarking on an application process.

4.1 Black Owned Farms

Applicants who are part of the wine industry value chain, and who are seeking to strengthen and accelerate the development of the operational and financial capacity of their businesses are invited to apply. One application per enterprise is allowed per annum, unless an exception is made by the SAWITU board, in which case, such an exception shall be communicated to the industry by SAWITU.

4.1.1 Eligibility for funding;

The SAWITU board has resolved to provide support services and finance to black farmers. SAWITU will do this by partnering with organisations who have a track record in black farmer support.

Assistance will take the form of technical support, training, or financing of capital items in the application documents. If approved for appraisal, applications will be assessed by the appraisal committee of SAWITU and recommended to the SAWITU board for the appropriate category of assistance.

4.1.2 Category of funding support allowed:

Support to black-owned farms will take the following three possible forms, which need to be stipulated clearly on your SAWITU application documents;

- i. Preliminary technical evaluations to determine whether SAWITU funding can potentially render meaningful results for applicants;
- ii. **Technical advice**
 - Sustainable best practices;
 - Cultivar trends and smart selection for planting;
 - Vineyard site selection;
 - Agronomy;
 - Viticulture;
 - Bottling
 - Governance and cost accounting;
 - Adherence to ethical trade requirements (such as Wieta, BSCI and Fair Trade);
 - Cohesion between shareholders;
 - Business case and scenario planning;
 - Benchmarking with similar businesses;
 - Input cost management
 - Traceability and progress measurement through farm management IT systems



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iii. Small grants in cases:

- Where the applicant meets SAWITU funding rules and has undergone a SAWITU appraisal;
- Where matched funding is available in terms of loans, own capital or other grants;
- Where significant impact can be realised in terms of vineyards, product sold (value or volume) and jobs created;
- Where the appraisal committee of SAWITU determines that viability is evident, as measured against available norms for commercial production.

SAWITU will work with its partners to assist black farmers holistically. Applicants can expect to work with the following partner organisations in order to ensure the best possible support;

- **Vinpro Starting BLOCCS programme** - Under a recently signed service level agreement, Vinpro will provide business planning and advisory services described in i. and ii. in this section of the APS. The objective of starting BLOCCS is to ensure that black-owned farms are adequately prepared to access funding and grape markets by affording technical resources to them.
- Support from the following initiative will require a separate application which should not be submitted to SAWITU, but directly to the organisations stated below.
- **Hortfin Finance** – SAWITU recently entered a consortium agreement with Hortgro and SATI to provide affordable loan capital facilities to black farmers. Successful applicants enjoy favourable repayment terms such as subsidised interest, a strong measure of pre and post loan support, capital and interest moratoriums and extended terms. Application and eligibility details are available online at <https://www.hortgro.co.za/inclusive-growth/hortfin/>. Applications are to be sent directly to Hortfin and not to SAWITU.

- **Western Cape Department of Agriculture (WCDoA)** – The deadline for applications to WCDoA for the 2023/24 financial year closed on 30 April 2023. WCDoA is expected to solicit applications for government grant funding for the 2023/24 before July 2023.
<http://www.elsenburg.com/content/western-cape-department-agriculture>. SAWITU will work closely with WCDoA to monitor and provide extra technical support to applicants.
- **National Department of Agriculture, Rural Development and Land Reform** – SAWITU will partner with this important government department to assist enterprises which they have funded and identified under their respective programmes.

4.1.3 Eligibility for funding

- i. Latest Business Plan
- ii. SAWITU Application Checklist
- iii. Certificate of Incorporation (or equivalent)
- iv. Share certificates and register (if applicable)
- v. Shareholders agreement (or equivalent company requirements)
- vi. Sale of Shares Agreement (if applicable)
- vii. Memorandum of Incorporation (or equivalent)
- viii. Certified Identity Documents of Directors (Individuals)
- ix. Valid B-BBEE certificate or DTI approved Affidavit
 - x. Evidence of registration with SAWIS
 - xi. Evidence of registration with Vinpro Membership
- xii. Valid Tax Clearance Certificate/ Tax online number
- xiii. Signed 2023 Annual Financial Statements
- xiv. Water usage rights / Proof of water source (whether for dams, boreholes abstraction, stream or river abstraction or water user association allocations), unless SAWITU is being asked by way of the Business Plan to assist in obtaining such a licences.
- xv. Long term land lease agreement or Title Deed (in cases where land is owned by the applicant)
- xvi. A schedule of all grants and loans awarded to the business since its inception.
- xvii. In cases where the request is to establish new vineyards on virgin land, the requisite Department of Environmental Affairs permit needs to be provided to SAWITU. If SAWITU is being requested (as part of the Business Plan) to assist in acquiring permission from the said department to plant new vineyards, then SAWITU may consider assisting with the application process.

4.1.4 Beneficiation of Funding:

In instances where applicants have previously received grant support from the government or other funding providers, the SAWITU board may seek that the applicant disclose this information upon application.



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4.1.5 Category of funding support allowed:

Refer to attached Funding Rules (2023) for further definitions, exclusions and adjudication procedures. All categories of application described in 5, which are being pursued by the applicant need to be included in one single annual application form referred to in the attached funding rules and the Business Plan.

5. Communication and Process Deadlines Dates

5.1 Application Process deadline dates

TU Application Process Open	26 June 2023
TU Application for Funding process Close	27 July 2023
Appraisal committee Assessment to be finalised	7 – 10 August 2023
TU Board Assessment	30 August 2023
Applications outcome communicated to applicants	18 September 2023

Any related enquiries can be addressed in writing to Wendy Petersen at wendy@witu.co.za and applications@witu.co.za

Wendy Petersen

Executive Manager

SA Wine Industry Transformation Unit

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