



## **Farmvision**

Farmvision (The Company) is a joint venture between Farm Invest (Pty) Ltd and the Bilatye and Mkhonjama Secondary Cooperative in the Eastern Cape Province. The business aims to contribute to economic development, employment generation and poverty reduction.

The Company is in the dairy industry. The dairy project is situated in Bilatye and Mkhonjama scheme in the Eastern Cape. The project will start with a herd of 850 medium-sized Holstein cows, of which 850 will be in milk the first year. Additional cows/heifers will be purchased during years 2 and 3 of the project which will increase the total number of cows in the herd to 1,800 in year 4. The dairy production system will also consist of a cultivated pasture system. This pasture system will be used by all the animals except the small calves and heifers, for up to 6 months. The pasture will consist of irrigable and dry land.

The Company also plans on having a fodder production programme that will meet the dietary requirement so the animals on the farm. This system will consist of natural vegetation and a mixture of pasture systems.

Farmvision will also offer training and technical assistance through skills development programmes. Regarding the support of the managers and farm workers at Bilatye for dairy farming, a key issue is to improve access to education and training. Farmvision/GENEX has developed skill-based training modules on essential dairy topics, which can be used for worker and management training courses.

To access a market, an offtake agreement will be signed with one of the milk buyers, e.g., Sundale or Crickley Dairy to provide milk to them. Because of the large quantity (30,000 litres/day) of milk that will be produced, the milk buyer will have to collect the milk daily. The proposed plan also makes provision for the construction of a small processing plant on-site to supply milk and milk products to the local communities.



## **Income Potential**

The gross income that could be generated is presented below:

Item	2022	2023	2024	2025	2026
Milk Sales	R30	R49 126 585	R67 988 022	R70 727 157	R73 556 243
Livestock Sales	654 525 R127 505	R819 015	R1 122 562	R2 434 359	R3 418 673
Total	R30 781 575	R49 945 600	R69 10 584	R73 161 515	R76 974 916

A milk price of R4.80 has been included in the proposed plan. The income received will be for the sales of milk and beef. From the table, it can be seen that the total gross income for the whole dairy farm will increase from R22,704,670 in year 1 to R62,168,536 in year 5.

## **S12J Funds raised**

The above-mentioned company has raised funds via the S12J SARS-approved funding mechanism. Below is the table of the funds raised and expected returns via SARS. The return rate via SARS has been 80% and more to date.

<b>Dates</b>	<b>Nominal</b>
2022	17,5 Million