



# **SUSTAINABLE AGRICULTURE**

**NEDBANK**

## A bank's relationship with the farmer has evolved beyond just the offering of finance; it now entails the provision of holistic solutions for everyday and seasonal operational requirements.

Nedbank AgriBusiness devises and delivers tailored solutions for the agricultural industry. Our empowered regional teams include agricultural specialists. They provide guidance and support on all agriculture-related requests, and ensure continuity, accessibility and quick decisionmaking.

Partnerships with leading academic institutions and industry associations keep us abreast of the latest research developments and emerging trends in the industry.

### Target market

Our specialist industry knowledge is aligned with the needs of three primary market sectors, namely:

<b>Agronomy</b>	grain, oil seeds, nuts, sugar and wheat
<b>Horticulture</b>	fruit, wine, vegetables and forestry
<b>Animal production</b>	dairy, beef, sheep, poultry, aquaculture and game farming

We also focus on the market, providing a suite of banking and financial solutions relevant to businesses such as agricultural cooperatives as well as other secondary agricultural businesses such as processors, service providers, input suppliers and manufacturers. These solutions span across the range of readily marketable and exchange-traded agricultural commodities and aim to integrate into the commodity cycle through an understanding of collateral value along the supply chain.

Examples of solutions include collateral management structures, revolving credit facilities, contract farming facilitation, prepayment solutions and all relevant and appropriate trade-related instruments generally used in the commodity financing environment.



## Key features

Because we understand the variable and cyclical nature of agribusinesses, we have tailored, flexible and cost-effective finance packages that specifically cater for these sectors. We match export and import needs with strong global transacting products and simplified risk-hedging instruments.

## Lending solutions

Our agricultural lending solutions include:

<b>Overdraft facilities/ Debtor finance</b>	A current account with an overdraft facility or a short-term loan caters for seasonal cashflow fluctuations, which are highly prevalent in the agriculture market. We also offer a comprehensive debtor management service to help you maintain a constant cashflow, keep your administration costs down and reduce the risks associated with your debtors book.
<b>Agri instalment sale agreement</b>	We provide financing on all types of agricultural equipment and machinery (eg tractors and farming implements) with flexible repayment options, such as annual payments and extended repayment periods of up to 10 years, depending on life expectancy and depreciation.
<b>Agri medium-term loan (AMTL)</b>	The AMTL can be used for financing productive assets (eg breeding herds of cattle) or enhancing existing assets, and includes an option to withdraw surplus funds arising from excess payments.
<b>Agri production loan</b>	This loan finances production inputs such as fertiliser, seed and diesel. The product takes into account seasonality, the need to hedge prices, as well as the procurement of crop insurance.
<b>Agri NedBond</b>	Nedbank AgriBusiness specialises in financing fixed property or capital improvements to fixed property. We offer flexible finance to buy or enhance fixed property, incorporating interest-only periods and repayment options of up to 15 years.
<b>Agri trade finance</b>	Our creative approach to trade finance and interlinking risk control means you can optimise the risk-return relationship. Key components of our offering include: <ul style="list-style-type: none"><li>• postimport financing;</li><li>• preexport financing; and</li><li>• discounting of bills.</li></ul>



## Lending solutions (continued)

### Nedbank's renewable-energy and efficiency finance

We have launched **renewable-energy and efficiency finance** in response to a series of economic, social and environmental challenges that threaten society's long-term success. Nedbank has committed an annual flow of money to be lent in a way that contributes to meeting specific long-term goals for the future we want.

**Nedbank's renewable-energy and efficiency finance** is tailored for clients who wish to mitigate the impact of load shedding and rising energy costs and who want to generate sufficient energy for their agricultural operation and potentially be able to set off the surplus electricity to the grid while greening their operations. We therefore offer you the following:

- financing of renewable-energy solutions;
- extended repayment periods (up to 10 years) on business loans; and
- utilisation of savings on energy costs to enhance debt repayment affordability and to offer competitive pricing.

### Specialised finance

Nedbank AgriBusiness provides debt structuring for acquisitions, management buyouts and leveraged buy-ins.

## Investment solutions

Since every business has unique requirements for the management and investment of surplus cash, we offer a complete investment solution for the appropriate management of surplus funds in accordance with working capital and liquidity requirements.



## Transactional banking solutions

At the heart of our banking services is an optimal solution for all your transactional banking requirements. This solution will include the appropriate electronic delivery platforms to streamline processes and enhance the management of your working capital.

Transactional products include current accounts, cash-handling solutions, global trade transactions, card products and electronic banking services. Our primary transactional banking offering to the agrisector includes:

<b>Global trade transactions</b>	<p>Our advanced transaction-processing capabilities and an extensive distribution network, coupled with professional advisory and consultancy services, enable us to do far more than simply handle crossborder payments. Our key areas are integrated within the broader concept of foreign currency cash management and include:</p> <ul style="list-style-type: none"><li>• payments and clearing;</li><li>• customised trade solutions and mechanisms;</li><li>• liquidity management; and</li><li>• foreign exchange instruments.</li></ul>
<b>Grain-trading facility</b>	<p>Nedbank AgriBusiness understands that grain producers are exposed to unpredictable, competitive markets. We offer various tools that enable commercial farmers to manage the full spectrum of price risk properly. These services range from a simple minimum price contract with participation should the market strengthen, to highly complex derivative instruments to reduce the cost of hedging. Our solutions comprise:</p> <ul style="list-style-type: none"><li>• forward contracts for maize, sunflower, soya beans and wheat;</li><li>• grain hedging; and</li><li>• liquidity management.</li></ul>
<b>Card-acquiring services</b>	<p>Nedbank is the largest acquirer of card transactions in South Africa and offers its NedLink card acceptance machines to your business. Nedbank has relationships with all local transaction switches, which are backed up by a comprehensive 24/7 merchant helpline facility that uses the latest technology to attend to and track all queries.</p>
<b>NetBank Business</b>	<p>NetBank Business, a secure and worldclass internet-based electronic banking system, enables you to:</p> <ul style="list-style-type: none"><li>• add, maintain and change beneficiaries online;</li><li>• make secure payments (eg salaries, wages and creditor payments);</li><li>• authorise transactions and functions (eg transfers, payments, beneficiaries and users); and</li><li>• enquire about foreign exchange rates and local money market trends.</li></ul>
<b>Cash-handling services</b>	<p>CashVault® is an automated cash acceptance terminal that counts, validates and verifies cash before dropping it into a secure canister. Once the cash is securely in the canister, and extracted by an appointed cash-in-transit company, Nedbank will immediately credit the relevant account holder's account with the value transmitted, thereby enhancing cashflow.</p>

## Value-added solutions

At Nedbank AgriBusiness we understand that, when it comes to sustainable wealth creation, it is essential to focus not only on achieving business success, but also on building business security.

<b>AgriPlus insurance</b>	<p>We offer a full range of flexible insurance products so you can take out policies tailored to your individual requirements.</p> <p>Value-for-money crop insurance covers your crops in the event of loss or damage that may be caused by wind, fire, hail, theft, drought and riots.</p> <p>AgriPlus insurance also provides cover for death or impotence of registered livestock specified in the policy.</p> <p>Personal insurance is available for farming activities, livestock and equipment, such as:</p> <ul style="list-style-type: none"><li>• cover for irrigation systems on wheels and centre-pivot systems; and</li><li>• public-liability insurance for commercial hunting and game viewing covering passengers on open-sided vehicles.</li></ul>
<b>Business financial planning</b>	<p>Nedbank's financial planning specialists help business owners and operators to plan and build long-term wealth. Expert advice and assistance is offered in areas such as:</p> <ul style="list-style-type: none"><li>• contingent-liability protection;</li><li>• keyperson cover; and</li><li>• employee benefits.</li></ul>
<b>Personal financial planning</b>	<p>Our specialists will help you to plan for the future and build personal long-term wealth. We offer expert advice on and assistance with the following:</p> <ul style="list-style-type: none"><li>• life and disability insurance;</li><li>• personal retirement planning;</li><li>• investment planning;</li><li>• estate planning; and</li><li>• offshore financial planning.</li></ul>



<b>Enterprise development</b>	Our unique approach to enterprise development is complemented by business support and technical assistance programmes. These programmes are designed to accommodate the ever-changing needs of small-scale and emerging farming operations, whether the farms are starting up or their existing operations are being expanded.
<b>Nedbank @ Work</b>	<p>We provide a service tailored to farm employees at your premises, which includes the following:</p> <ul style="list-style-type: none"> <li>• great-value banking options designed to meet the needs of farm workers;</li> <li>• opening of accounts on site;</li> <li>• banking advice as well as financial-fitness workshops so that employees can better manage their personal finances and make provision for unexpected circumstances, their children's education, etc.</li> </ul>
<b>Nedbank's partnership with the World Wildlife Fund (WWF)</b>	<p>As the world's population increases, the resulting demand on food increases exponentially. This means that there will be more pressure on decreasingly productive land for quality food production.</p> <p>Nedbank, in partnership with the WWF, is striving to improve the sustainability of agricultural production in South Africa by being actively involved in several sustainability projects. This helps the bank gain a better understanding of and to deliver on the social and environmental risks and opportunities facing the sector, allowing us to provide agribusinesses with useful guidelines on:</p> <ul style="list-style-type: none"> <li>• sustainable production standards; and</li> <li>• reduction of input costs through sharing knowledge on how better practices lead to lower costs and improved environmental management.</li> </ul>

To find out more about how Nedbank AgriBusiness can help you please contact your local **Agri Business Manager** or send an email to [agriculture@nedbank.co.za](mailto:agriculture@nedbank.co.za).





WORKING TOGETHER  
TO PROMOTE  
SUSTAINABLE FOOD  
AND AGRICULTURE  
IN SOUTH AFRICA



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