



AFFIRMATIVE ACTION LOAN SCHEME (AALS)

This package is tailored to the emerging commercial farmers and is an important component of the land reform programme, which enables innovative new farmers from the previously disadvantaged communities, to acquire farms in commercial areas. Loans are granted against security of the mortgage bond and are repayable over a period of 25 years.

The Affirmative Action Loan Scheme (AALS) is complemented by the North South Incentive Scheme (NSIS), which is a vehicle for communal farmers to sell off their livestock north of the Veterinary Cordon Fence (VCF) and purchase disease-free livestock south of the VCF on a newly acquired farm.

Year 1-3 is free of interest and capital repayment for full-time farmers, and as from year 4 onwards outstanding amount is redeemed over the remaining 22 years at an escalating interest rate. Part-time farmers may elect to service the interest portion only for the first three years, whereafter the outstanding amount is redeemed over the remaining 22 years at the appropriate interest rate.

Alternatively, part-time farmers may elect to capitalize the interest portion for the first three years where after the outstanding amount is redeemable over the remaining 22 years at the appropriate interest rate. The applicant must have a minimum of 150 large stock or 800 small stock or own productive livestock equivalent to at least 35% of official carrying capacity of the farm which, he/she intends purchasing, and /or have the financial capacity to purchase such livestock.

Requirements:

- Applicants must provide a business plan
- Deed of sale | Purchase agreement | Offer to purchase
- Copy of certificate of waiver | Letter of exemption from the Ministry responsible for lands
- Copy of the Title Deed of the Farm to be sold
- Last Will and Testament (if seller is an estate late)
- Proof of owner's contribution – 10%
- Others: Refer to general requirements page