



Agro Processing Support Scheme (APSS)

The Agro Processing Support Scheme (APSS) seeks to stimulate investment in the agro-processing sector.

The Objectives of the APSS:

- Increased capacity,
- Employment creation,
- Modernised machinery and equipment
- Competitiveness and productivity improvement,
- Broadening participation.

Description of Qualifying Processes/Projects:

The incentive is available to new and existing agro-processing/beneficiation projects. This can also involve a wide range of processing or beneficiation activities of post-harvest that result in value addition and/or enhanced storage life, such as cleaning, sorting, grading, waxing, controlled ripening, labelling, packing & packaging, warehousing, canning, freezing, freeze drying, wood carving, extrusion, synthesizing, polymerisation, and various levels of processing that change agricultural product form. In the forestry value-chain may also include sawing, pulping, peeling and preservation.

Five key identified sub-sectors:

- Food and beverage value addition and processing (including Black winemakers);
- Furniture manufacturing;
- Fibre processing;
- Feed production; and
- Fertilizer production.

The APSS offers support on a cost-sharing basis towards:

- Machinery & Equipment; Tooling; Forklifts
- Commercial Vehicles
- Buildings
- I.T. Software – Management Information Systems



- 3rd Party consulting that focuses on Quality management; Environmental management; Process capability improvement; Product quality improvement; Accreditation.

The grant will cover 20% to 30% of the above costs, to a maximum of R3 million for small enterprises and R20 million for large enterprises. A further 10% bonus grant may be claimed by Level 1 B-BBEE contributors who comply with certain criteria.

Type of applicant	Historical costs of assets	Qualifying investment cost	Grant Percentage	Maximum grant
New entity	N/A	R 1 million up to R10 million	30%	R3 million
New entity	N/A	> R10 million	20%	R20 million
Existing entity	< R10 million	R 1 million up to R10 million	30%	R3 million
Existing entity	> R10 million	> R10 million	20%	R20 million

Additional 10% grant for projects that meet all Economic Benefit Criteria below:

- Employment- Increase base year employment by at least 25%
- Transformation- Achieve a level 1 on B-BBEE codes of good practice
- Geographical Spread- Projects located in state owned industrial parks or areas with unemployment higher than 25%
- Local procurement- Procuring at least 70% of inputs or equipment and machinery that is locally manufactured

Mandatory Conditions:

- A South African registered legal entity (Company, Close Corporation or Co-Operative). Divisions, Branches and Profit Centres are also eligible to apply.
- Be a Tax Payer in Good Standing
- Involved in a New / Expanding Agro-Processing Beneficiation Operation
- Must be at least Level 4 BEE compliant
- Investment project must result in retaining and creating direct employment



- The project must be able to boost the local capacity of identified products or result in increased exports
- Adhere to sectorial legislative requirements as well as minimum wage legislation
- Demonstrate that at least 50% of inputs (raw materials) will be sourced from South African suppliers and at least 30% of the inputs will be sourced from Black South African suppliers. Where this is not possible, applicants must provide a motivation including a sourcing plan to adhere to this condition within 2 years from the submission of the application.
- Activities must commence within 90 calendar days of the approval of the application
- Costs Incurred before Approval are regarded as Non-Qualifying

The following documents are needed when applying:

- Fully completed and signed application form
- B-BBEE certificate
- A valid tax clearance certificate
- Incorporation certificate
- Latest independently reviewed financial statements (Expansions)
- Financial projections for three years
- Completed business plan
- Project executive summary

The first window for the submission of APSS applications will open on 01 June 2017 and will close on 31 August 2017.

For more information please contact Incentive SA on the following numbers:

Cape Town: 021 671 4400

Johannesburg: 011 026 2680

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www.incentivesa.co.za