

# Black empowerment in agriculture with commercial savvy

## Agrosto Enterprises (Pty) Ltd set to create sustainable success models

The issue is no longer whether and if or even when agriculture will react to the demands for BEE transformation. There can only be a single agenda point on the table: "How will we successfully execute Broad Based Black Economic Empowerment transformation?"

A group of entrepreneurs have decided to face the challenge and create a model to address the two crucial pillars of any successful BBEE venture in agriculture:

- Effective BBEE empowerment that reaches black labour and communities
- Commercially sustainable enterprises.

### The concept is a simple three step approach:

1. Acquire farms and other enterprises in the agricultural value chain that are well managed, but lack more capital, expertise or have untapped potential
2. Finance these enterprises with a structured, effective BBEE deal that addresses all seven concerns of the Code of Good Practice for black empowerment
3. Integrate these enterprises in the value chain into a single organisation to limit the risks of market pricing, organisational funding and financial control.

The result is a new enterprise *Agrosto Enterprises (Pty) Ltd*. The Agrosto team comprises of Lizette Lyner, Moné de Jager, Tshepo Nyatlo, Deon van Os and Louis Lötter. All of these individuals are visionaries, entrepreneurs and BEE pioneers who bring to the company experience, passion, determination and the deeply felt desire to make a difference in the agricultural industry.

The shareholding of Lizette Lyner, Tshepo Nyatlo and the *Agrosto Usizo Trust*, will place a controlling stake of 52% in the hands of previously disadvantaged individuals.

They are investigating various investment opportunities and service offerings. These include among others, maize farming, livestock farming, grain transport, commodity trading, rural tourism and agricultural consulting services. A large piece of land has already been contracted for cultivating maize in the upcoming planting season and also for establishing a herd of cattle. All initiatives will function as separate profit centres, but managed from the Pretoria head office.

The *Agrosto Usizo Trust* has a broad based mandate and will use the revenue and capital flowing from its equity stake in Agrosto on behalf of black workers and previously disadvantaged communities. The Trust will also play an active role in facilitating additional social investment from other corporate enterprises for its beneficiaries.

The vision for the Trust is contained in our conviction that progress is contagious, and that prosperity shared, leads to even greater prosperity. When you create opportunities for others to work for themselves, they will work not only for their own good but for yours too. Figuratively speaking: if you share your bread, there will be enough for everybody.

The *Agrosto Usizo Trust* is already in discussion with a needy rural community to explore opportunities for creating sustainable economic activity that will result in much need employment and infrastructure. In conclusion, the Agrosto team knows that genius begins great works, but labour alone finishes them – we are committed – "Siyazimisela" – let's grow together!