

FOR IMMEDIATE RELEASE

Hortfin: A Financial Game-Changer Transforming the Deciduous Fruit Industry

[Paarl, 10 February 2025] – Hortfin, the pioneering blended-finance scheme established to drive economic development in South Africa's deciduous fruit industry, celebrated seven years of "meaningful impact" at a recent event in Paarl.

Founded in 2018 by the deciduous fruit and grape industries, Hortfin has provided crucial financial support to emerging, previously disadvantaged growers and businesses in the value chain, enabling industry expansion, economic participation, and job creation. By offering tailored debt products and post-investment support, Hortfin, created sustainable growth opportunities for first-generation agribusinesses throughout the value chain.

Speaking at the function, Hortfin Chairman Ronald Ramabulana said that over the years, Hortfin faced many difficult times but that the industry organisations carried the projects at significant risk to themselves. "When the commercial banks saw the commitment from industry and the potential of these projects, they became involved. It is only through partnerships and by cherishing relationships that Hortfin has reached the current milestone, and we want to acknowledge that."

The Hortfin model is ripe for reproduction in other agricultural sectors, said Najwah Allie-Edries, Jobs Fund Head. Allie-Edries said the Jobs Fund was proud to be associated with Hortfin and that it significantly impacted the transformation of the deciduous fruit industry. "Hortfin played a crucial role in helping emerging farmers and rural areas flourish through economic growth, job creation, infrastructure development and knowledge transfer that will ripple through the next generation, paving the way for sustainable transformation."

Key Achievements

Hortfin CEO, Michael Brinkhuis, said that since Hortfin's inception, the blended finance model has fostered strategic partnerships with government departments, development finance institutions (DFIs), commercial banks, industry organizations, and financial intermediaries.

These collaborations have led to the establishment of a robust R464 million loan book, empowering new-generation businesses with customised financial solutions.

Hortfin's impact includes:

- **Financing 25 majority black-owned agribusinesses**, primarily first-generation enterprises.
- **Creating 2,237 seasonal, permanent, and short-term jobs** through funded projects.
- **Supporting the establishment of 96 hectares of vineyards and orchards**, contributing to industry growth.
- **Providing skills development opportunities** by training 56 individuals.
- **Expanding and refurbishing operational farming infrastructure** by over 2,500m².

Challenges and the Road Ahead

While Hortfin has made significant strides in enhancing financial accessibility, challenges remain in ensuring long-term sustainability for emerging agribusinesses, said Anton Rabe, Hortgro Executive Director.

Rabe said the deciduous fruit industry's transformation journey started twenty years ago with the "boompie" project supported by the Western Cape Department of Agriculture. The Jobs Fund supported a second phase of this initiative.

"Through these initiatives, together with the Hortfin project, we have established close to 1000 hectares of new plantings, new equipment, and farming and packaging infrastructure," Rabe said. "We made many mistakes along the way, but we learned from it. Ownership of land is not transformation. Successful and profitable farming businesses that make a meaningful impact is transformation."

"The sector continues to navigate economic pressures, market fluctuations, and climate-related risks, underscoring the need for continued investment and adaptive financial solutions."

Hortfin remains committed to strengthening its support structures and expanding partnerships to promote resilience and growth within the deciduous fruit industry.

As the initiative moves forward, it aims to further deepen its impact by increasing financial inclusion, facilitating market access, and enhancing skills development. Hortfin stands as a testament to the power of collaboration in driving meaningful transformation and economic participation in South Africa's agricultural sector.

- Hortfin was launched in 2018 as a collaboration between key industry players, including the pome and stone fruit industry organisation HORTGRO, the table grape industry organisation SATI, and the wine industry organisation South Africa Wine, and was designed to address the vital gap in financing for historically excluded producers.
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Caption: Speakers at the Hortfin function. At the back Ronald Ramabulana (Hortfin), Robin Johnson (producer), Werner du Toit (FNB), Desry Lesele (Nedbank). In front, Michael Brinkhuis (Hortfin), Najwah Allie-Edries (Jobs Fund), and Anton Rabe (Hortgro)