



EXHIBIT HH 10(b)

**MBANA PETER
THABETHE**

AFFIDAVIT

I, the undersigned,

MBANA PETER THABETHE

Do hereby make oath and say that:

1. I am an adult male South African aged 52 years old, born in 1965-12-26, I'D No: 651226 5421 089, and employed as the head of Department by the Free State Dept. of agriculture and Rural Development, at Glen College of Agriculture, with contact 051 861 8509 and cell phone Number 0837263083 .
2. The facts set out in this affidavit are, unless otherwise stated or the converse appears from the context here of, the facts herein are within my personal knowledge and are, to the best of my knowledge and belief, both true and correct.
3. I make this affidavit in my official capacity as the Head of Department of the Free State agriculture and rural development. I am the Accounting officer of the Department mentioned above and account to matter within the Department mentioned in the Free State Province. As the accounting officer I have access to books and record of the department.
4. During the year 2012 the department has introduced project namely "**MOHUMA MOBUNG STRATEGY**" (Meaning: plough in the soil), as an approach when implementing agricultural initiatives and "**ZERO HUNGER STRATEGY**". The idea of the concept was the MEC's idea whom was MR Mosebenzi Zwane, now the Minister of Mineral Resources.



5. Therefore the identified projects have been carefully analyzed and selected to contribute to the Mohoma Mobung Strategy. The concept was to develop dairy project in the Free State Province, given the fact that the Free State did not have Processing facilities available to add value to the Milk produced locally. At that time the milk was transported by trucks to various centers in Gauteng from Free State for Processing. Whereas the objective of this project was to produce and process the Milk Locally.
6. Therefore the Vrede Integrated Dairy Project was identified and accepted as a Multi-year mega project that will contribute to income generation, decent job creation and the creation of on and off farm agri-business, value chain enterprise. Through municipalities interested beneficiary were identified. See the attached basic criteria for Vrede Dairy Beneficiaries and List **MPT 1**.
7. Subsequent to the acceptance of the proposal we started with the consultative process for investment opportunities, in that process we started discussion with local farmers both Black and white farmers to sell the idea as intended by the department. A further consultation with the farmers we also did consultation with the departments, private sector organization (Nestle, Parmalat, Clover and Dairy Belle). See Attachment **MPT 2**. No response was received.
8. In terms of our analysis India was identified as the highest milk producer and there was already an existing bilateral agreement on agriculture between South Africa and India. See attachment **MPT3**.
9. I then made a request to the Premier Honorable ES Magashula on recommendations of the former MEC Mosebenzi Zwane to take a trip to India accompanied by Mr. Ashok Narayana an Advisor to the office of the premier at that time. On 29th February 2012 and return on the 4th March 2012. It was recommended by the Former MEC Mr.



Mosebenzi Zwane that Mr. Narayana should accompany me to India. When the department started the process of the initiating a Dairy project, Mr. Narayana was not part of the project proposal. I took the trip to India in an effort to conduct a research into how they produce milk. The trip was approved at the state expense. The request, approval and report back from India see attachment **MPT4**. In addition to the request I had already identified the company by the name of PARAS dairy upon where the research was going to be conducted. PARAS were identified through the aid of internet assistance. I then officiated the meeting following the protocol through the office of the Premier in Free State.

10. I then took the trip to India with Mr. Narayana and on arrival we met with the Chief Executive Officer of Paras Dairy whose name will be divulged at a later stage and who then explained the whole value chain of milk production in India. There were also staff members of PARAS. We were further accompanied by the Indian delegation to visit the processing plant. In India I brought back my presentation from the PARAS. See attachment **MPT5**.
11. It is on our return from India that I then developed an Executive Council's Report carrying recommendations into the concept of the dairy project identified in India. See attachment **MPT6**. After India trip Mr. Narayana went back to the office of the Premier as he was not part of my team. He went with me for sake of accompanying me to India. The Executive council upon receiving the report, on recommendations of the MEC for the department of Agriculture, it then approved. Approval document see attachment **MPT 7**
12. Having received approval from the Executive council, I then invited the Chief Executive Officer (CEO) of PARAS dairy Invitation letter see attachment **MPT 8**. On arrival the CEO was toured through to the place where the project was intended to



happen and that is VREDE. Upon the CEO's visit it is when he developed an interest to participate and invest in the project. It is when that the PARAS dairy CEO was informed that his interest of investment in South Africa should be through a South African registered company. In the discussion a proposal of signing an agreement with the South African company was put forward to PARAS PARAS' dairy had to develop a project proposal which was presented through the South African owned company. Project proposal see attachment **MPT 9** and as the project was accepted, confirmation letter of acceptance see attachment **MPT 10**. A partnership agreement was then developed. PARAS CEO left the country and at some time appeared ESTINA Company. Estina when they arrived came with the project proposal to state they were the preferred company by PARAS. I called upon the CEO of PARAS confirming Estina Company involvement in the investment. The PARAS CEO confirmed one Mr. Rajev Gautum. I on behalf of the department before the signing of the agreement with Estina requested that there must be a written document confirming an agreement between PARAS and ESTINA. That was presented see attachment **MPT 11**.

13. In order for a company to deal with the department, verifications were done in respect of Estina Company and SARS tax clearance certificate was obtained. The rest to verify further the account details was to be done by Provincial Treasury. see attachment **MPT 11**

14. Estina brought a draft agreement entered into between the department of Agriculture and Estina. I took the draft agreement to the state legal adviser for perusal and editing where necessary. The state legal advisor being Mr. Bertus Venter. The ultimate agreement signed is the one that was perused and edited by the state legal advisor see attachment **MPT 12**.

A handwritten signature in black ink, appearing to be 'J. A.', located in the bottom right corner of the page.

15. Further consultation was done with the National Department of Agriculture in order for them to participate in the funding of the project. See attachment **MPT 13**. The submission made to the national was accepted; hence the original budget allocation was from (CASP) Comprehensive Agricultural Support Program. This was done due to the allocated amount by Provincial Government was not sufficient to carry and complete the project.
16. It is as per the binding agreement that Estina was requested to develop a feasibility study and a business plan that informs the implementation of the project. The business plan was done in two stages. The first was the preliminary business plan and secondly the detailed business plan. See attachment **MPT14**.
17. It was for the implementation of the project that the department had to deviate from the normal procurement process given the reason that the investor as such herein called PARAS was also making a financial investment into the second phase of the project (Construction of the Processing Plant). The approval to the deviation process document is attached. See attachment **MPT15**. This therefore give clarity that there is no tender documents in respect of this project. I also want to put in addition that in terms of the PFMA as an accounting officer I used the provisions of the prerogative clause of the PFMA and with the given reason above I exercised the discretion.
18. The following table of content will reflect the manner in which payment was done:-

DATE	AMOUNT	DISBURSEMENT NO.	ANNEXURES
16/04/2013	R34 950 000M	000600161	MPT16A
25/04/2013	R30M STD BANK	000600268	MPT 16B

	310864860		
03/05/2013	R19050000.00M STDBANK 310864060	000600317	MPT 16 C
13/12/2013	R29.950.000M STD BANK 31086486	000603303	MPT16D
25/07/2014	R30 M STD BANK 310864860	000605869	MPT16E
08/05/2015	R60M FNB 62505753906	000609613	MPT16F
28/04/2016	R46.252.652.00 FNB 62505753906	000614040	MPT16G

19. The first three payments marked as **MPT 16 A**, **MPT 16 B** and **MPT 16 C** were done in 2013 and will reflect an amount of (R84 Million) Eighty Four Million Rand in total. These amounts are based on the first phase of the project Furthermore there is an amount of R 84 million which appeared to be paid to Estina on 2013-04-12 by the Department as per Basic Accounting System (BAS). The said R 84 million was approved and authorized however the payment was reversed due to the none availability of the lump sum. See the attached **MPT 17**.

20. I can confirm that the file marked "VREDE DAIRY PROJECT" is containing invoices that serves as accountability by Estina Company with regard to the request of the next payment to continue with the Project construction. I want to state that having confirmed the exhibiting of the file mentioned in this paragraph above, the file was submitted to the Department by Estina Company. It is every authorization that the department made to Estina Company was justified by the submitted file. If the file containing the invoices might suggest upon investigation that the invoices are fictitious. I can confirm that the Department was or is defrauded by the Estina Company because that suggests the breach with regard to accountability on the transferred monies from Estina Company. File attached see **MPT 18**.
21. The money allocated for the project was classified and Gazetted as a transfer payment. This means that the intermediary in this instance Estina, is the agent of the beneficiary (Acting on behalf or for the beneficiary). Accountability of the Department is limited to report that we received from the Agent on monies transferred as per file attached in Para 20 above references **MPT 18**.
22. It was brought to my attention during the investigation that some of the monies were paid to Dubai and some to consultancy in Dubai. That information was not in my disposal and as such those were not in terms of agreement signed between the parties.
23. The land in Vrede belonged to Phumelela local Municipality however it was not registered under Municipality but under the Municipality Trust. For the implementation of Vrede project the land was transferred from the Municipality (Trust of Municipality) to Public Works. Subsequently it was leased to the Project for 99 years. The lease was registered with the Deeds Office, which was since terminated when the contract with the Department and Estina was terminated. See attachment



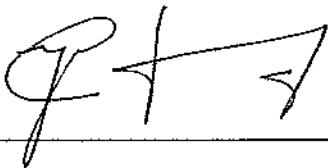
MPT 19 .After the termination of a Vrede Project, between the Department and Estina and the Land had to be taken back to Public Works. The project was relocated to the Free State Development Corporation. See the attachment **MPT 20**. Handover of Asset of the Vrede Dairy Project to Free State Development Corporation. See attachment **MPT 21**.Free State Development Corporation continued with the Project.

I read this affidavit before I signed it.

I Know and understand the contents of this affidavit.

I do not have any objection to taking the proscribed oath.

I consider the prescribed oath to be binding on my conscience.



SIGNATURE OF DEPONENT

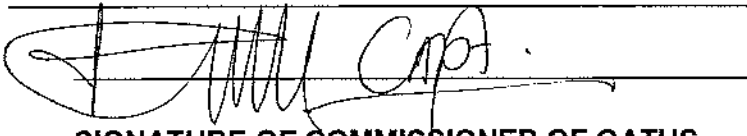
10/08/2017

DATE

I certify that on this 10th day of August **2017**, the Deponent signed the affidavit in my presence and declared that she knows and understands its contents, that she has no objection to taking the prescribed oath and that she considers the oath to be binding on her conscience.

Dated at Park Road (Place) on this 10 day of August **2017** at 16:52 (time)





SIGNATURE OF COMMISSIONER OF OATHS

FULL NAMES :

MANICA MTOCO

COMMISSIONER OF OATHS

DESIGNATION: EX OFFICIO :

South African Police Service member

REPUBLIC OF SOUTH AFRICA

RANK :

CAPTAIN

FORCE NUMBER :

70580570

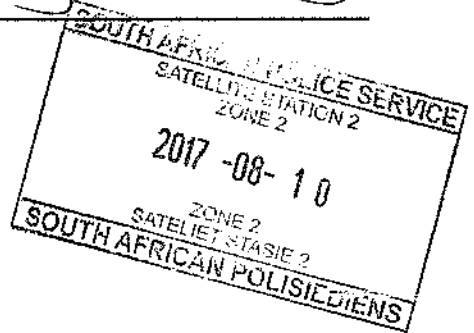
ADDRESS :

SA Police Service

NO 255 Presidia

Building Paul Kruger

TEL :







agriculture
Department of
Agriculture
FREE STATE PROVINCE

BASIC CRITERIA FOR VREDE DAIRY BENEFICIARIES

A) EXCLUSION CRITERIA

The following will result in exclusion:

- 1) Government employees - and / or employees / council members in any government parastatals including municipalities. Preference will be given to persons who will be full time employed in the project after implementation.
- 2) Criminal record - If a person have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Department's financial interests.
- 3) Double dipping - if a person is following another procurement procedure or grant award procedure financed by other government departments and not making it known during the selection process, they will be declared to be in serious breach for failure to comply.
- 4) Withholding or supplying false information.
- 5) Age - age is not a excluding criteria but where applicants are over the age of 65 (either as a natural person or average age of members of a group or legal entity) there need to be a clear succession plan in place. Preference will be given to younger applicants.

B. QUALIFYING CRITERIA

- 2 All beneficiaries must have SA ID documents.
- 2 Beneficiaries must be at least 18 years old and above.
- 2 All beneficiaries must be residents of the Phumelela Municipality (Vrede, Warden & Memel).
- 2 All beneficiaries must demonstrate or show interest in dairying or agriculture.

C. GENERAL SELECTION CRITERIA

- 2 Beneficiaries with own farms, farming with livestock will be accommodated through shareholding.
- 2 Former farm workers having experience in dairying or livestock farming will BE priorities.
- 2 Other people in township and nearby towns will be selected for job opportunities.



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Department of
Agriculture
FREE STATE PROVINCE

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Cm: Kuhn & Prinsloo Street

Private Bag x 5

VREDE, 9835

VREDE, 9835

Tel: 058 913 8300

Fax: 058 913 2317



PHUMELELA
LOCAL MUNICIPALITY

VREDE DAIRY BENEFICIARY LIST

No	Name & Surname	ID No.	Contacts	Address
1	Mpumelelo Ngubeni		073 237 7511	76 Dlamini Street
2	Kenneth Radebe		083 4784 632	219 Zamanani
3	Nomusa Mzizi		076 9703314	276 Zamani
4	Jun David Mahlaba	760530 5426 021	082 5972 557	91 Dladla Street
5	Lindiwe Masiteng		076 580 7739	2646 Sisulu Street
6	Dhlamini Ephraim Makhošini	631021 5284 061	083 9655 409	2387 Khanye Street
7	Meshack Mphaleni Ncongwane	570125 5870 029	084 389 6821 084 389 6821	
8	Velly Dhlamini	640516 5452 082	083 5346994	1503 Mashinini Street
9	Paulos Khumalo		072 504 6594	1863 Radebe Section
10	Josias Mahlaba	621004 5759 080	076 818 7824	91 Dladla Street
11	Samuel Msimanga	500516 5235 060	071 2473 433	1868 Radebe Section
12	Petrus Sangweni	650618 5455 062	084 351 0936	2538 Ext 3
13	Phumulane Sibeko	600723 5969 082	073 3637 395	2328 Khanye Street
14	Piet Mokoena	541202 5377 083	084 965 1415	2162 Ndaba Street
15	Samuel Dlamini	640501 5327 088	083 5092 181	2005 Ndaba
16	Mokhashane Jantjie Mphuthi	400101 5257 094	076 646 6851	Arandel Plaas
17	Selina Mthabela		076 7298 112	25 Mntungwa Street
18	Moses Motaung	660328 5521 089	076 374 4152	Lady Vlei
20	Aletta Mbele		079 851 1534	44 Mphuthi Street
21	Josinah Limakatso Radebe	560409 0835 087	083 499 0885	339 Vilane Street
22	Makhosini Josua Mokoena	36 45011 3543 3083	079 302 3657	Langvirwag
23	Tshabalala Buti Andries		078 2921 594	1874 Radebe Section
24	Tshabalala Fanie		078 2921 594	1874 Radebe Section
25	Doctor Abednigo Moloi	750610 5357 060	084 3133 039	2385 Modise Section
26	Mbele Johannes	900222 5454 088	072 8120 151	1712 Radebe Street
27	Twala Pickup Michael	380108 5130 084		1728 Radebe Section

28	Jan Mfuphi			
29	Jim Twala		072 8573 640	Sweetwater farm
30	David Khumalo	6106135419082	073 820 1674	219 Three Section
31	Petrus Molefe	7505155357081	073 492 2969	3248 Mabheba Street
32	Teboho Nala	7603056068087	084 6096 853	Warden
33	Sipho David Sigasa	6908185737085	072 276 7727	Warden
34	Mandla Mkhwanazi	8501195643083	084 0664 351	3098 Ntsele Street
35	James Ngqosini	7310315309084	078 912 9297	Warden
36	Kubeka Eric	7705065878087	072 481 0423	Vrede
37	Motahane Teboho	6301155790088	078 288 5192	Vrede
38	Ntshingila Samson	7105105319089	079 7380 774	Warden
39	Mokoena Jacob	4906105465086	071 706 6578	Warden
40	Oupa Tshabalala	6309285340088	079 555 9309	Warden
41	Amos Malinga		083 467 4716	Warden
42	Agnes Ntshingila	5306265473088	076 2388 205	Warden
43	Tshabalala Therisia	5207240393082	084 650 1731	Warden
44	Thabo Mabula	6702110286080	082 568 7632	Warden
45	Mazibuko Velaphi	8612175322084	078 2690 338	Warden
46	Mokoena Simon	6209015443089	073 656 4600	Warden
47	Leah Motahane	4803285172086		Warden
48	Lizzy Moloi	6202020739088	078 812 5578	Warden
49	Matebesi Sebiloane	4803300414086		756 Warden
50	Mbele MJ	6306305205082	083 5335427	Roadside
51	Adam Selepe	6110105559083	073 156 5587	Warden
52	Elija Tshabalala	8602175322080	076 5539 784	1691 Radebe Section
53	Lucas Khanye	6310025749083	071 595 0432	3093 Extension 3
54	Twala Motlalepule	6308075354085	071 2720 704	3048 Extension 3
55	Mlangeni Khehla Jim		072 569 3434	3444 Mhlambi Street
56	Wellem Khanye	5112285601082	071 269 4046	3049 Mhlambi Street
57	Jose Mofokeng	4811225218086	078 474 6699	21 Dungwa Street
58	Phillmon Ngwenya	3505145185088	082 598 1689	2156 Ndaba Village
59	Selina Ruth Masiteng	6501255887086	083 5240 509	3182 Extension 3
60	Maria Phindile Dhlamini	4812050438088	071 143 8901	2646 Ext 3
61	Pauline Matse	6812030316089	083 965 5409	2387 Khanye Street
62	Nomshado Ireen Twala		084 850 7331	2385 Kheswa Street
63	Annah Mkhanye	7410160439083	083 697 9946	56B Mphuthi Street
64	Julai Khumalo	6209130631084	083 340 9195	1737 Radebe Section
65	Zwelithini Cambridge Sebiloane		083 863 4034	1580 Mpholo Village
67	B.H Motlounq	7705275289087	084 6410840	2488 Extension 3
68	Moses Mollo	3702025207082	071 4594 202	Smal Deer Farm
		4302145359085	074 750 0965	2520 Ext 3

Name & Surname	ID No	Contacts	Adress
69. Khumalo Elliot		0792482824	9140 Ndaba village
70. Sebiloane Lili Emma	5908230647 082	0726759205	36 Uys street
71. Mokonehatsi Silas	6202126013 081	0818872761	1512 Modise
72. Mkwabane Isaac	5605175719 088	0730615056	1718 Hambanathi
73. Radebe Khehla	6103305491 082	0826350484	Pramkorn Farm
74. Ngubeni Meshack	8609046362 083	0711763784	3412 Ext. 3
75. Tshabalala Richard	7805285272 089		
76. Motaung Simon Ntoeng	6907045288 081		
77. Moloi Maki Ntsoaki	7009120408 087		
78. Mkhwanazi Thokozani	8304206072 082		
79. Mdlala Lungile Favourite	7611060248 082		
80. Nkabinde Mbuyiswa Johan	81111058630 085		

Management Committee:

Chairperson: Jun David Mahlaba

Cell: 08259972557

Secretary: Zelpha Lindiwe Masiteng

Cell: 0765807739

Treasure: James Dumalisile Ngqosini Cell:

Cell: 0724810423



agriculture & rural development

Department of
Agriculture and Rural Development
FREE STATE PROVINCE

MOHOMA MOBUNG

AGRICULTURE & RURAL DEVELOPMENT FRAMEWORK 2012-2016

**“Together we can do more to
create sustainable, equitable and
vibrant rural communities”**

September 2011

www.fs.gov.za

MPT-262

MPT-02

BACKGROUND

✧ Informed by the introduction of the Presidential Outcomes (4: Decent Work Through Inclusive Economic Growth, 7: Vibrant, Equitable Rural Communities Contributing Towards Food Security for All... and 10: Natural Resource Development & Management). Projects are as such aligned.

✧ State of the Province Address: Agro-processing and Aquaculture as well as Agri-Villages.

✧ Policy and Budget Vote: Strategic Partnerships, Farmer/Community Participation, Food Security, Jobs Creation etc.



F

PROVINCIAL CHALLENGES

The reduction of:

❖ Poverty

❖ Unemployment

❖ Inequalities and

❖ Economic growth



FREE STATE PROFILE

A077



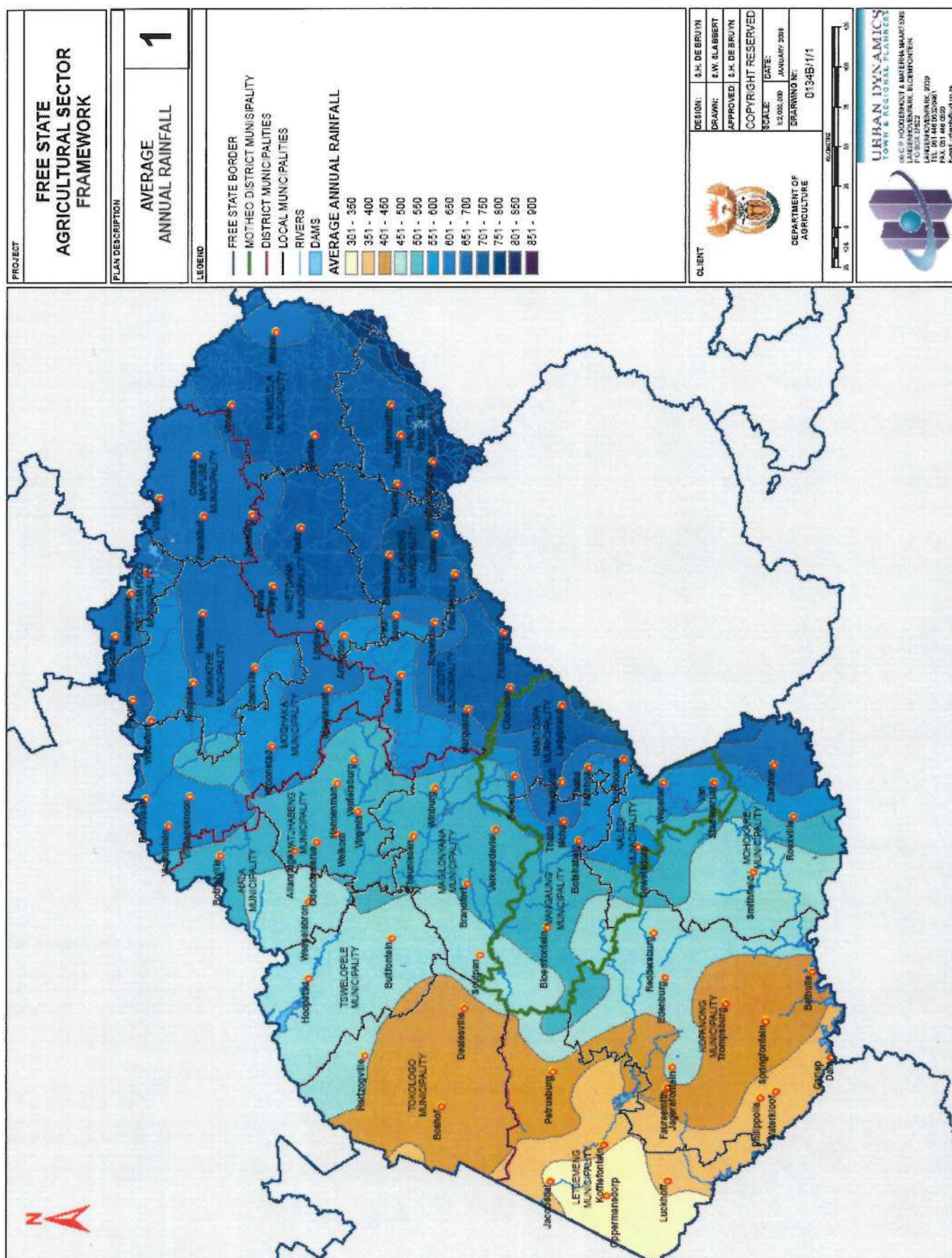
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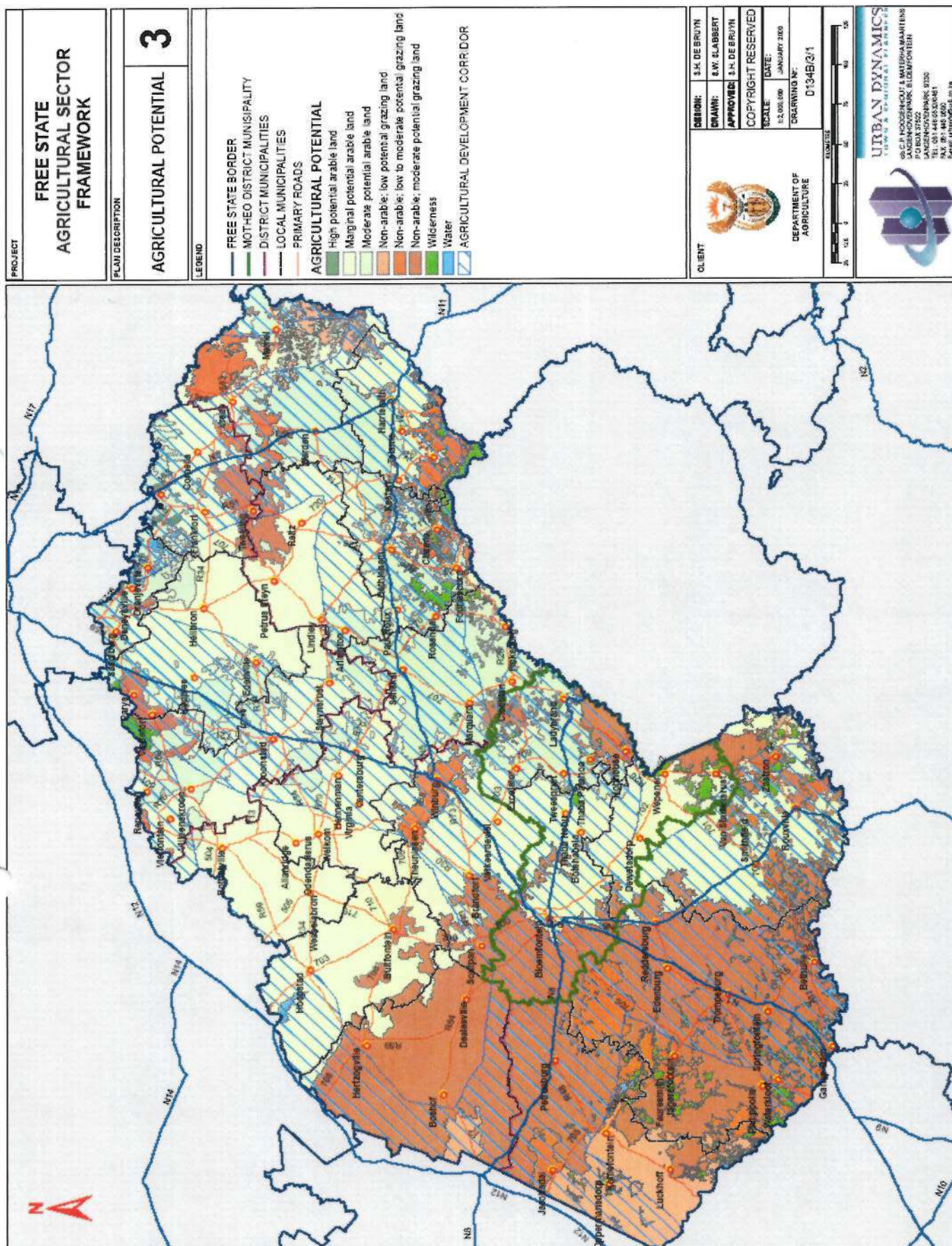
MPT-265

CP

Feature	Xhariep (DC16) (Rural)	Motheo (DC17) (Partly Rural)	Lejweleputswa (DC18) (Partly Rural)	Thabo Mofutsanyana (DC19) (Mostly Rural)	Fezile (DC20) (Partly Rural)	Dabi (Partly Rural)
Size in Ha	3 424 966	1 399 864	3 193 028	2 834 556	2 130 046	
Population size	135 791	730 402	657 952	727 403	460 703	
Number of local municipalities	3	3	5	5	4	
Number of towns	17	10	18	19	15	
% contribution to Free State GVA	3%	32%	21%	12%	32%	
% contribution of agriculture to district GVA	28%	5%	10%	21%	6%	
Main agricultural products	Small stock, Irrigated Seed production (sunflower, vegetables, maize), Vines, Maize, Wheat, Potatoes, Tourism, Game, Ostrich, Pecan nuts	Sheep, Beef, Maize and Wheat, Vegetables	Maize, Sunflower, Wheat, Poultry Hub, Vegetables, Game, Groundnuts	Cattle, Wheat, Asparagus; Apples, Cherries, Peaches, Vegetables, Soya beans, Potatoes	Maize, Wheat, Sorghum, Livestock, groundnuts, Soya beans, Potatoes	

MPT-266





COMMODITY APPROACH.

A082



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MPT-270

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DISTRICT MUNICIPALITY	CORRIDOR OR	FOCUS AREA	COMMODITY / TYPE	OPPORTUNITIES
Xhariep (Rural)	N1, N6	Oranje-riet Irrigation Scheme, Luckhoff, Jacobsdal, Koffiefontein, Gariep dam, Bethulie	1. Maize, wheat, Potatoes, sunflower, Horticulture, Winery, Lucerne 2 Large & Small Stock (Dairy) Game, Ostriches 3. Aquaculture (Fish)	Leveraging 3000 Ha of Water Rights, Vegetable, Winery Industry, Aquaculture, Beef Fattening Units, Agro-processing/Value Adding, Dairy Industry and Market Infrastructure Development.
Motheo (Partly Rural)	N 1, N 6, N 8 corridor;	Bloemfontein Thaba Tweespruit, Ladybrand, Dewetsdorp Nchu,	1. Livestock: (Poultry, Piggery, Dairy farming) 2. Grains: maize, wheat, sunflower, Vegetables (cabbages, beetroot, carrots, spinach)	Leveraging 3000 Ha of Water Rights, Sheep: Wool, Beef Industry, Essential Oils, Agro-processing/Value Adding, and Market Infrastructure Development.
Lejweleputswa (Partly Rural)	N 1	Welkom, Henneman, Sand-vet Irrigation scheme, Winburg, Ventersburg Bothaville, Hoopstad, Wesselsbron, Boshof	Maize, Sunflower, Wheat, potatoes, Vegetables Poultry Hub, Piggery, Livestock, Game farming	Regional poultry abattoir, Regional feeds manufacturing plant, Bio-fuel plant, Irrigation schemes and hydroponics, and Market Infrastructure Development.

MPT-271

Thabo Mofutsanyana (Mostly Rural)	N 3 Hub N 5 corridor	Quthing, Harrismith, Bethlehem, Kestell, Clarens, Fouriesburg, Ficksburg, Memel, Vrede	Susistance, Smallholder and Commercial farmers Farm dwellers	Maize, Sunflower, Wheat,, Vegetables (asparagus), Apple, cherries, peach, flowers Livestock (beef, Dairy), Piggery, Fodder Production	Cold storage for fruits and vegetables, Livestock improvement: Dairy Cow Hotel, Agro-processing/Value adding Hub: Harrismith, Grains: Dry Bean production, and Water Reticulation. Market Infrastructure Development.
Fezile Dabi (Partly Rural)	N1, N3	Sasolburg, Kroonstad, Parys, Heilbron, Viljoenskroon, Frankfort, Villiers	Susistance, Smallholder and Commercial farmers Farm dwellers	Maize, Sunflower, Sorghum, Large & Small Stock, (Poultry) Game	Hydroponics, Grain Industry, Livestock Feed Processing plant, Tannery, and Market Infrastructure Development.

MPT-272

SPECIAL FEATURE OF AGRICULTURE IN FREE STATE

- ❖ **Existence of extreme diversities in Ownership**
- ❖ **Scale of operation**
- ❖ **Technology used & transferred etc.**

A085



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MPT-273

CP

RESOURCE POOR, SMALLHOLDER FARMERS

- ❖ 216,000 Subsistence
- ❖ 24,000 Smallholder farmers
- ❖ About 6000 commercial farmers
- ❖ Low productivity major feature
- ❖ Can we neglect this sector because
- ❖ Contribution to national economy not significant
- ❖ That involves 240,000 farmers + their dependents
- ❖ Minimum improved technology & Low input

Q

FARMING IS NEITHER A “TRADITION” NOR A “SOCIAL SERVICE”. IT IS A BUSINESS

- Farmers to be assured of a reasonable profit.
- Profit margin especially of field crops is dwindling at an alarming rate in the commercial sector.
- 34% in Maize & 43% in wheat.
- Commercial farming under severe pressure.
- **Can we neglect this sector as it involves only 6000 farmers and their dependents?**



FOOD SECURITY IN THE PROVINCE?

- Province produces 2.5 m tons of maize: the major staple food
- In theory, it is more than enough for its population?
- At 660kg grain / person / year
- Approx. 1.36kg mealie meal / person / day at 80% milling efficiency.
- Still >53% below poverty line!?
- **Affordability / accessibility / Food habit: Major causes for food insecurity among the rural mass?**

A088



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MPT-276

CHALLENGES SPECIFIC FOR EACH GROUP (COMMERCIAL / EMERGING)?

- Farmer's attitude towards crop production “tradition” / “Business”
- General food habit: Scarcity of staple food leads to poverty
- Choice of crops grown
- Poor agronomic practices followed
- Lack of relevant technology
- Ineffective transfer of technology

A089



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MPT-277

GP

Let us join hands to

Sustain profitability and

Alleviate poverty

Key words

Food security

Partnership

Sustainability

Profitability



THE FREE STATE MODEL FOR AGRICULTURE AND RURAL DEVELOPMENT

A091



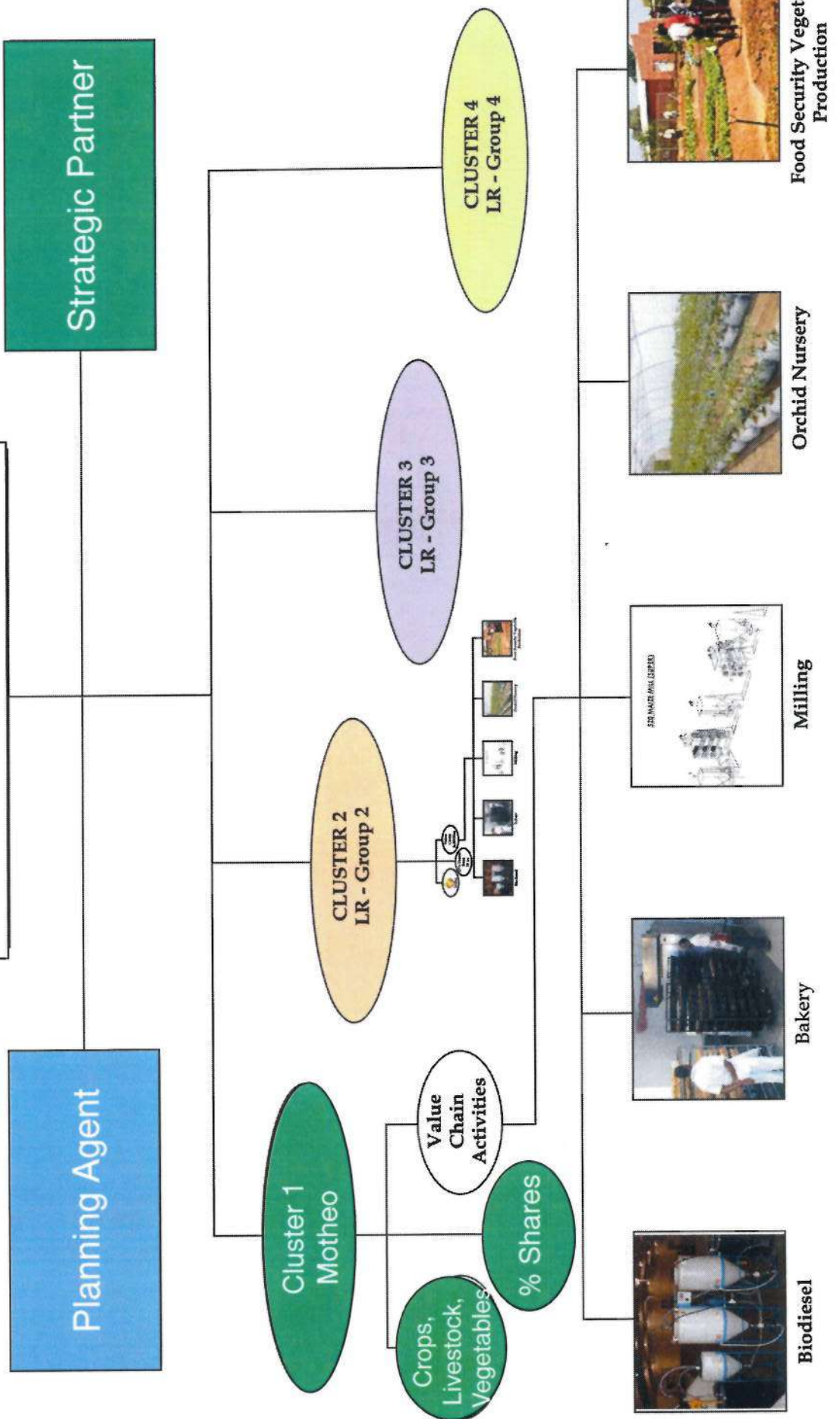
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MPT-279

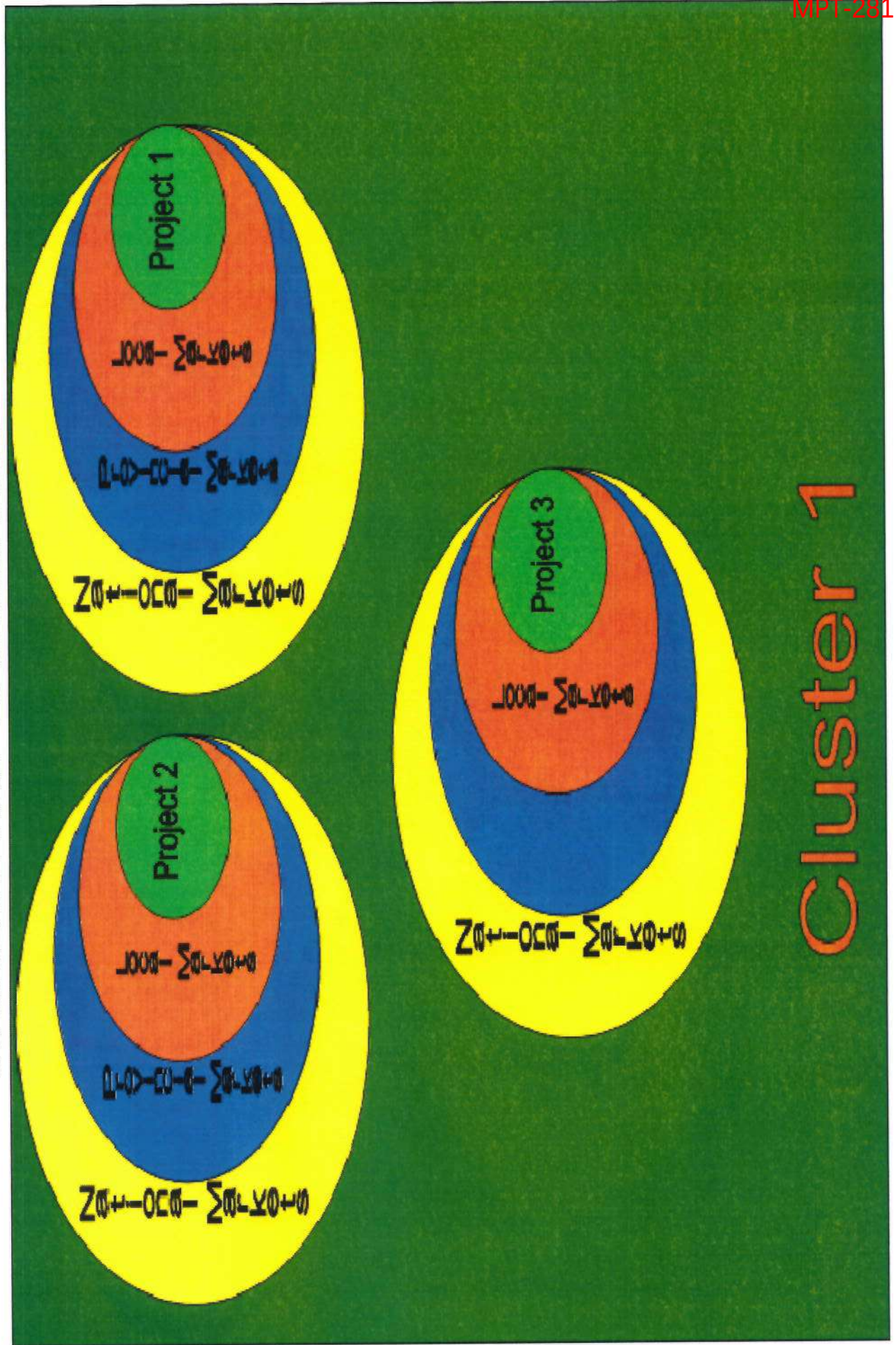
A handwritten signature in black ink, appearing to be 'G' followed by a stylized flourish.

MEGA PILOT PROJECT



MPT280

THE PROJECT WILL ALSO EVENTUALLY BE LINKED WITH THE
CORRIDOR AND TOURISM INITIATIVES.



MPT-281

Cluster 1

Secondary Co-op 1

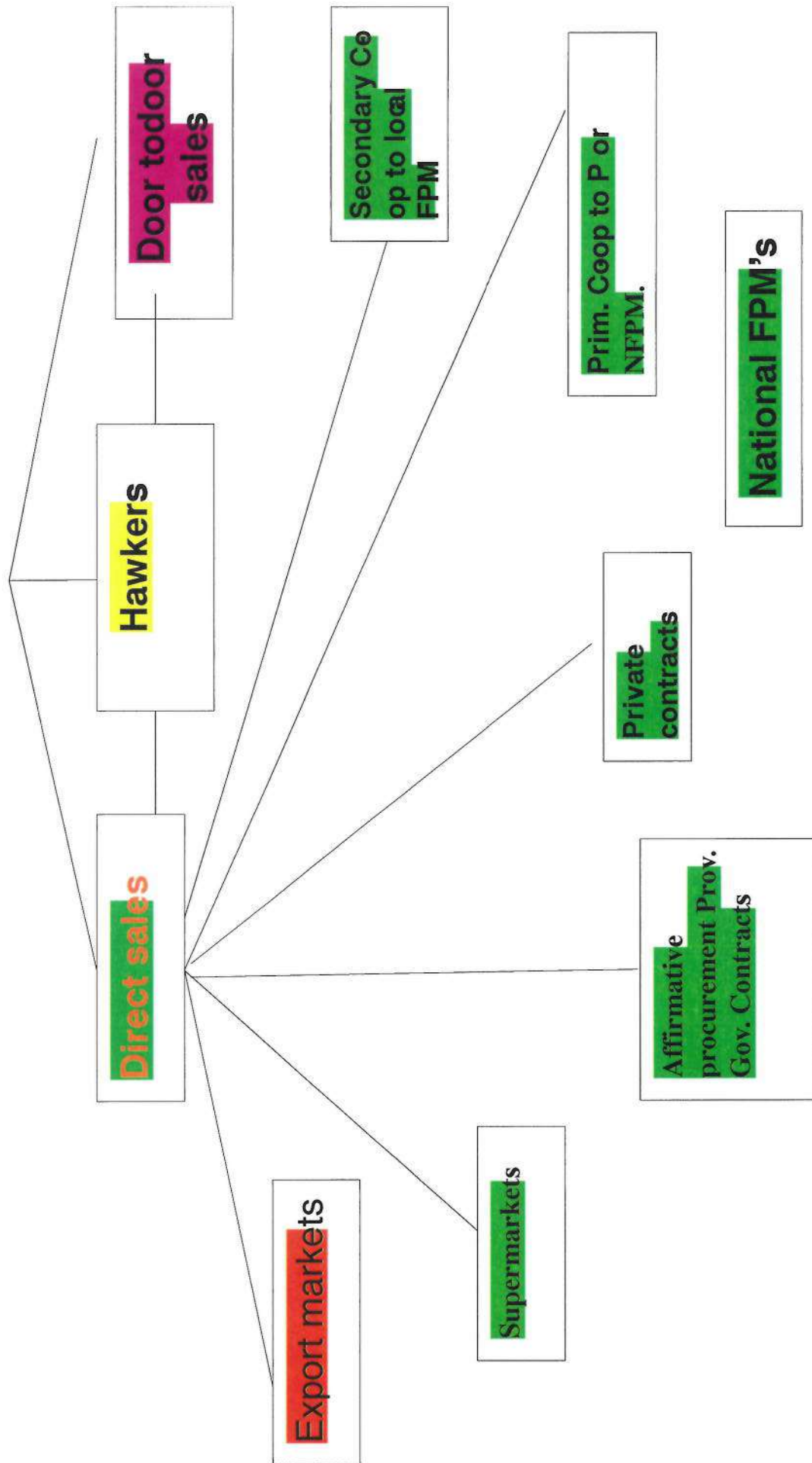


Secondary Co-op 2



Primary Co-op 1

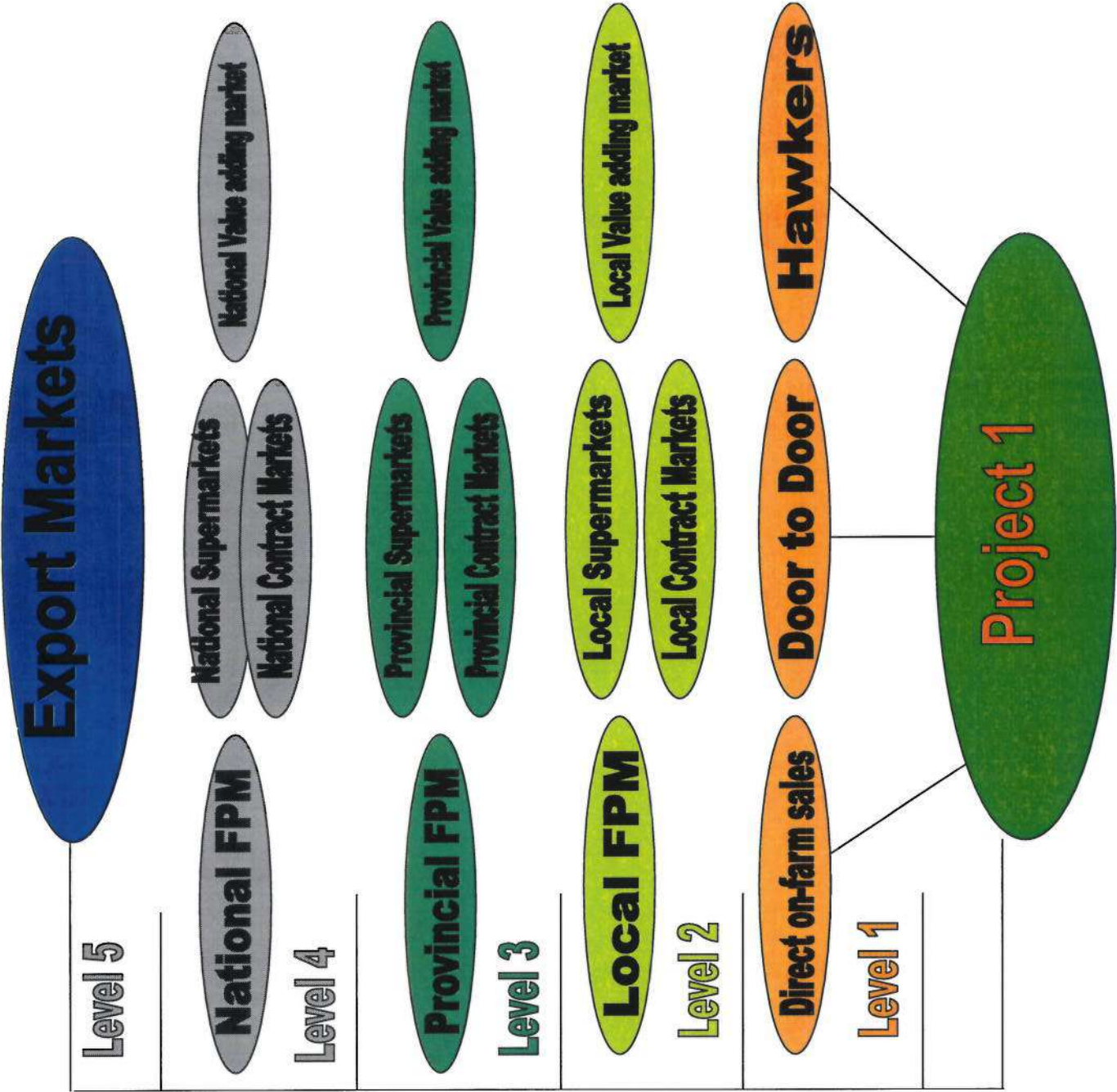
OUTLET OPPORTUNITIES



MPT-283

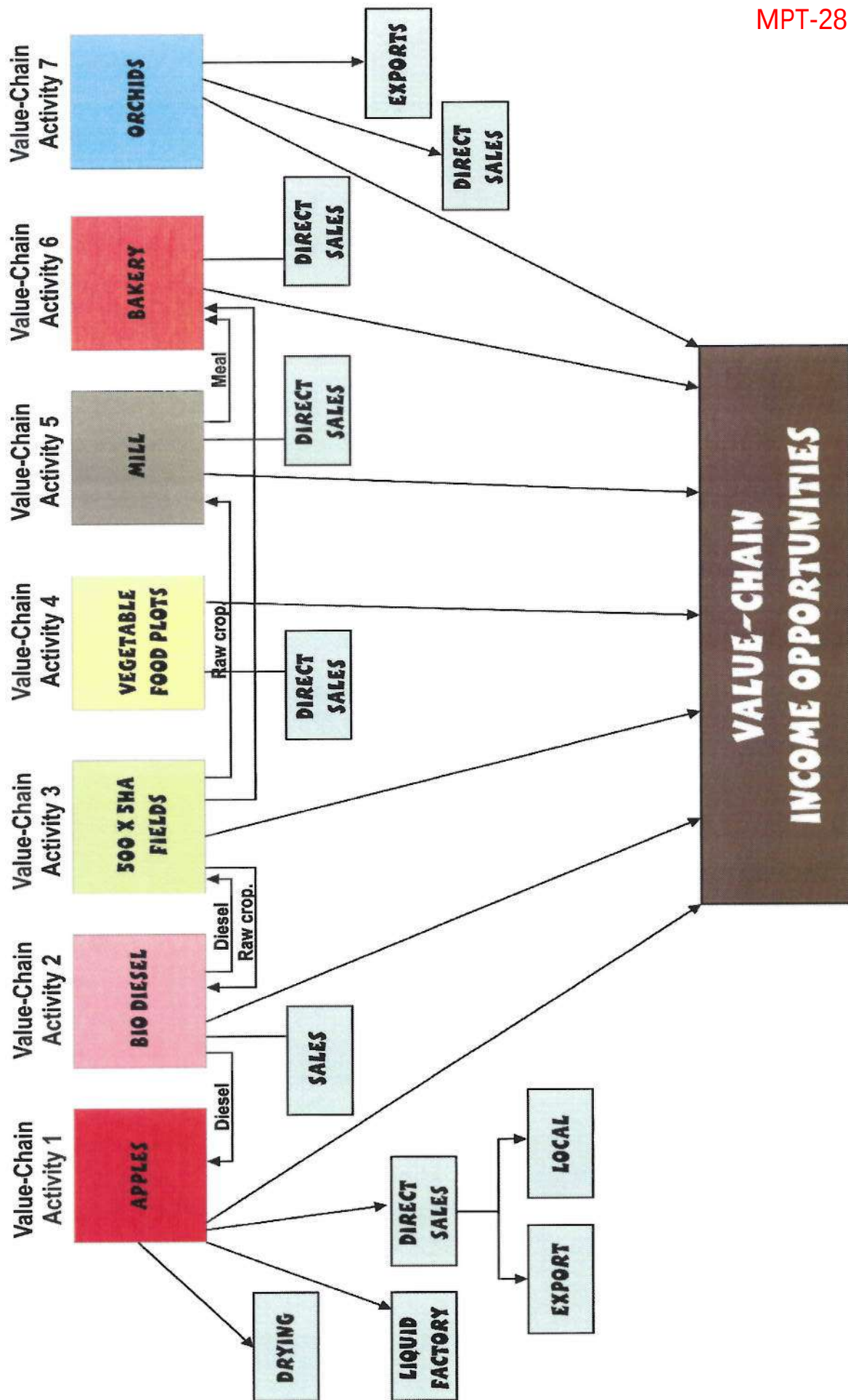
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The following is an illustration of the marketing outlet and strategy to be followed:



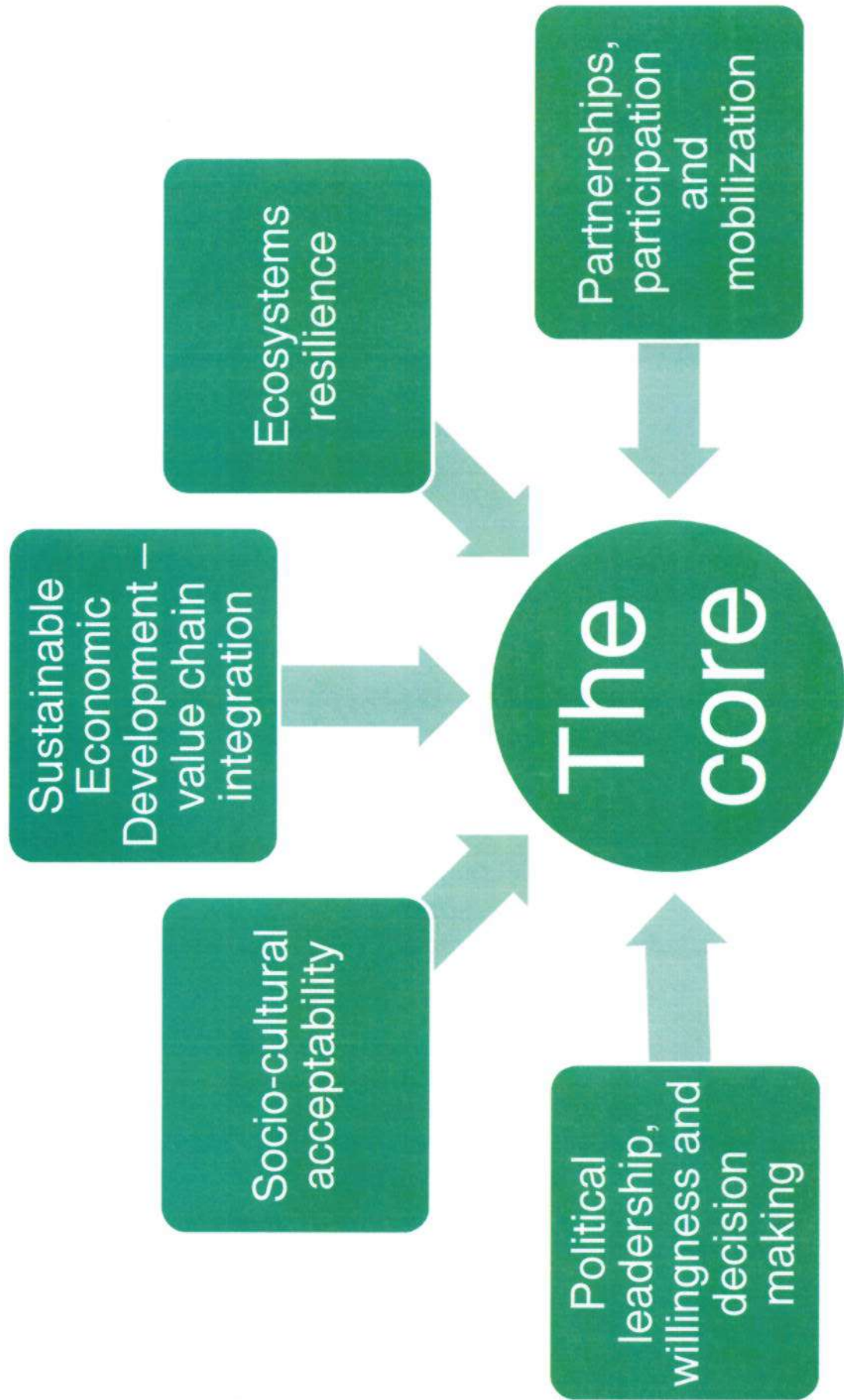
OPPORTUNITIES IN THE FREE STATE

VALUE-CHAIN ILLUSTRATION

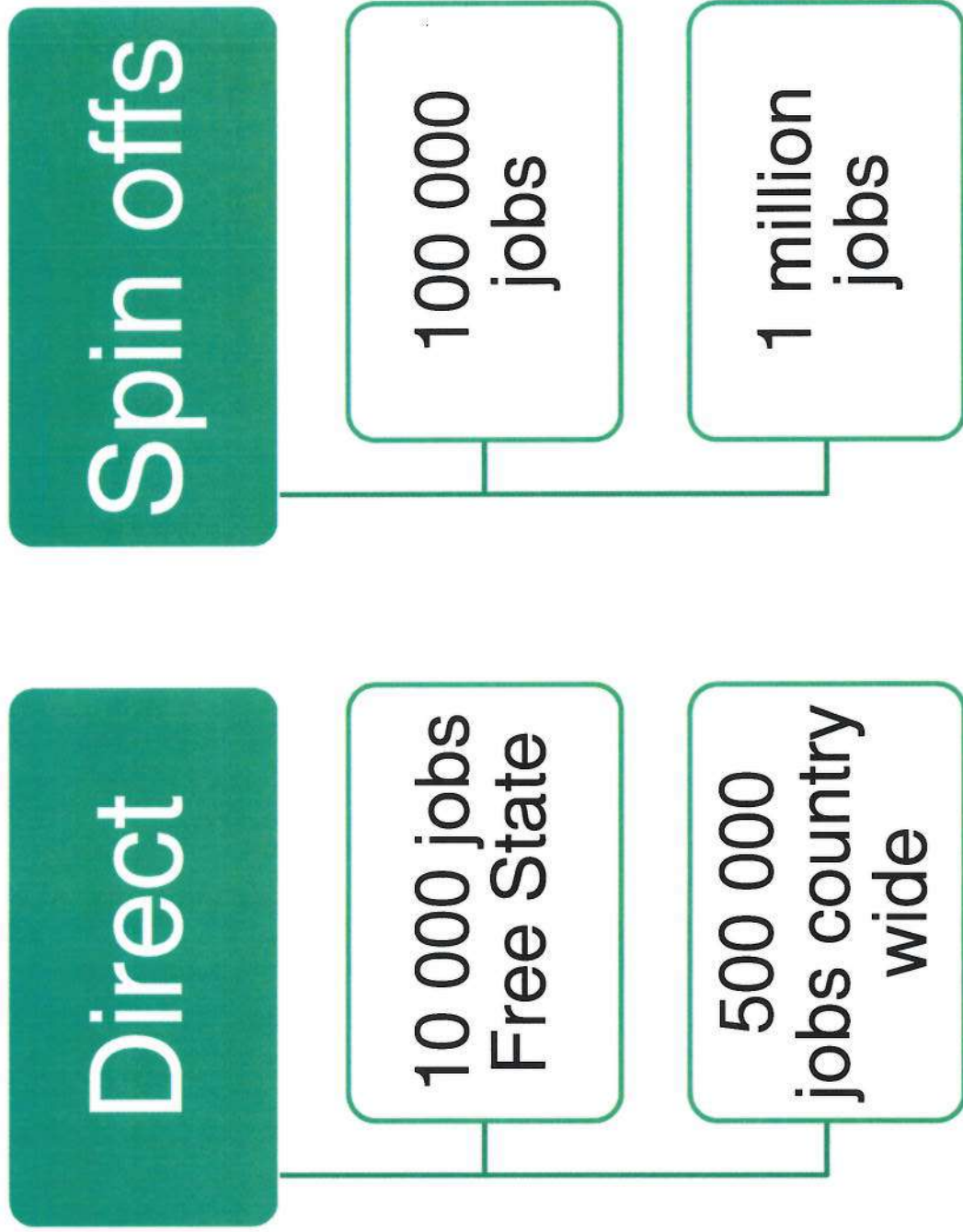


2

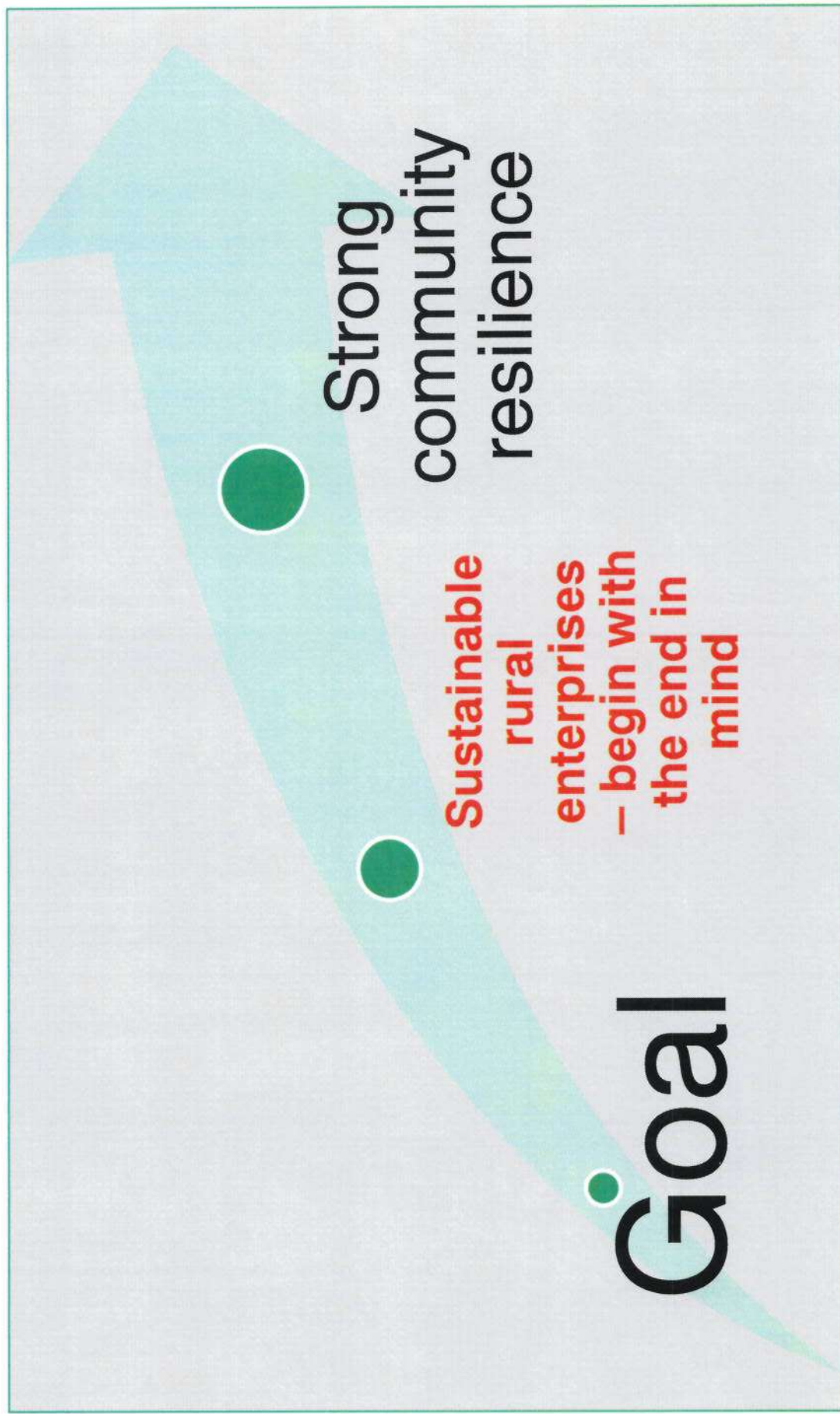
SUSTAINABILITY



VISION - ENVISAGED BENEFICIARIES : DIRECT AND INDIRECT IN THE NEXT THREE YEARS



IMPACT: ENVISAGED ACHIEVEMENTS REGARDING GOAL AND OBJECTIVES



VALUE CHAIN ENTERPRISES

Agro-processing – Local and International Market

- ❖ Exporting
- ❖ Dicing & Canning
- ❖ Drying
- ❖ Abattoirs (Beef and Poultry)
- ❖ Milling
- ❖ Bakery
- ❖ Dairy
- ❖ Feedlot and Fattening
- ❖ Fertilizer and slug drying
- ❖ Chicken manure
- ❖ Biofuel
- ❖ Ternary



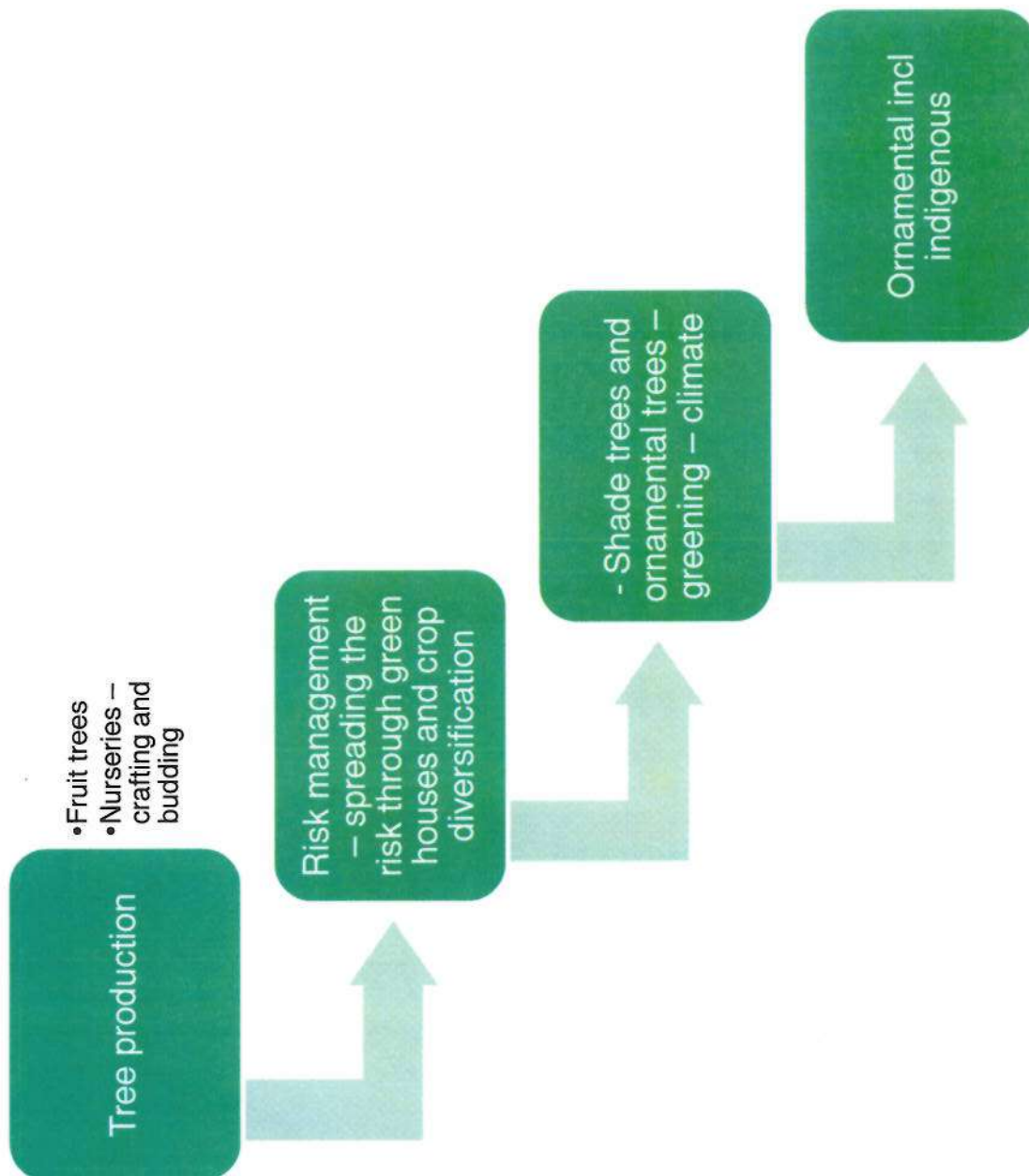
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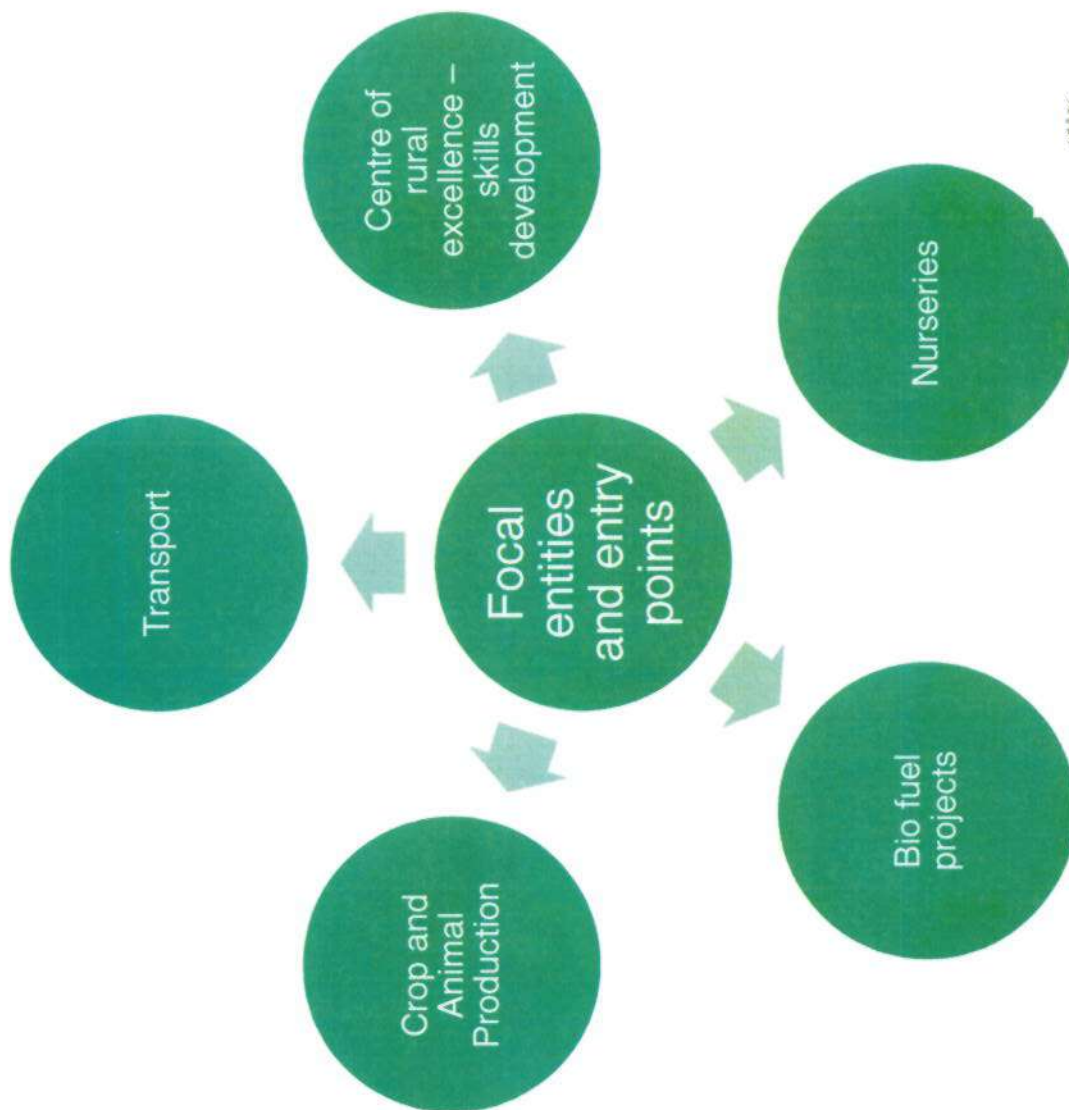
MPT-289

P

GREENING



FOCAL POINTS

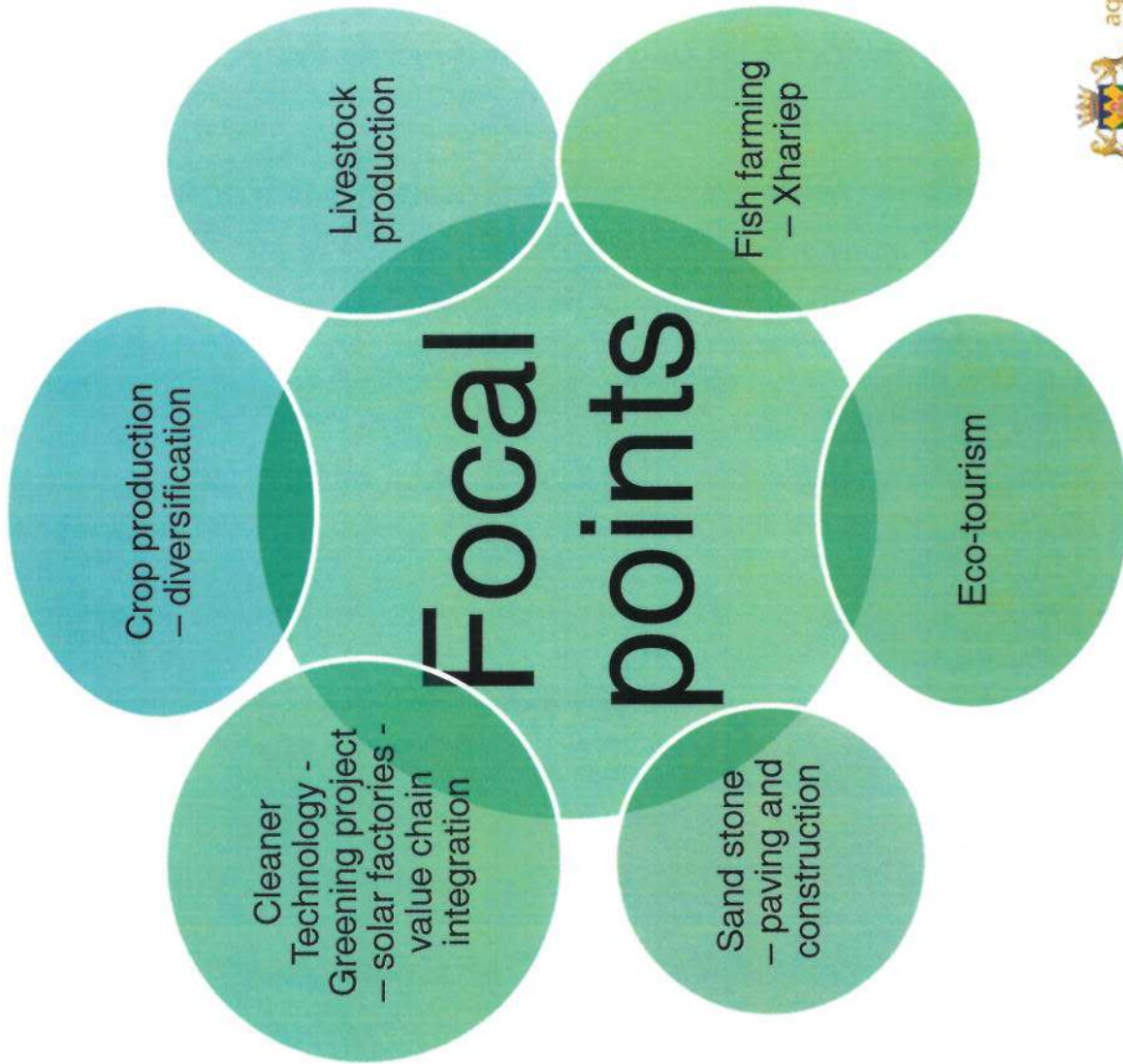


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FOCAL POINTS CONT...

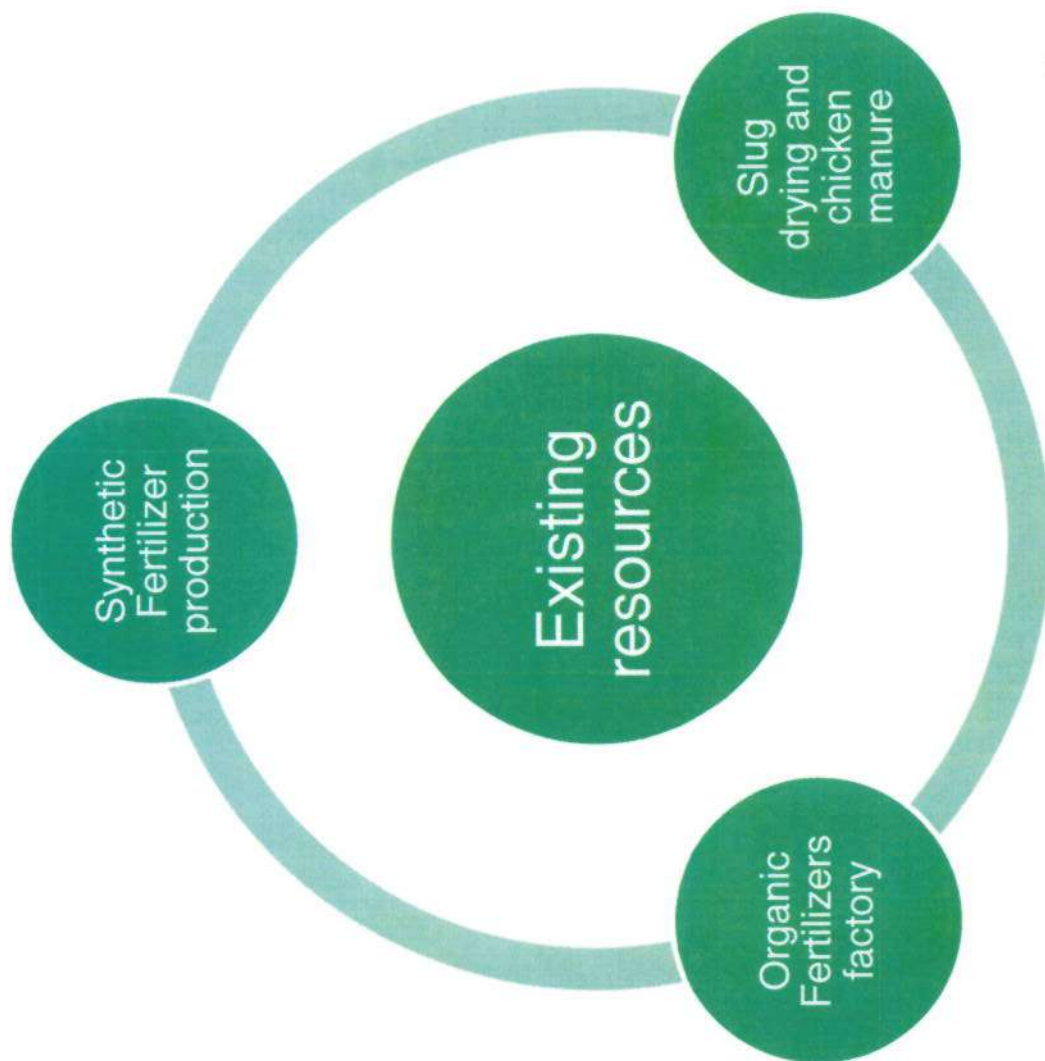


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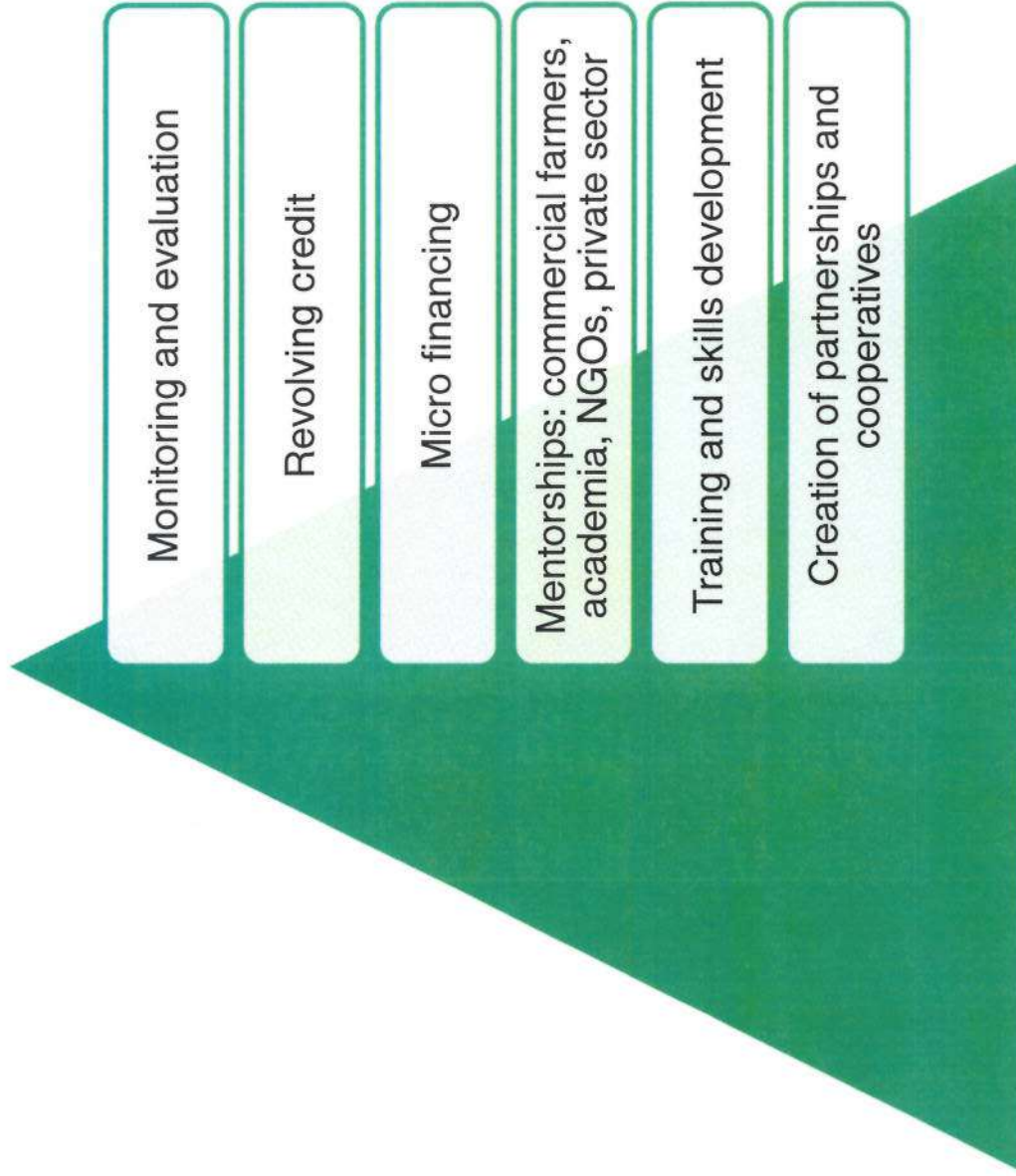
MPT-292

EXISTING RESOURCES



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STRATEGIES AND/OR VEHICLES



A106



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MPT-294

9

“YES WE SHALL DEVELOP RURAL AREAS SUSTAINABLY”



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MPT-295

THE MACRO PERSPECTIVE:

BREAD BAKERY:

- Estimate number of loafs per day
 - 2000 (initially), grows to 10,000 in 3 years.
- Production cycles per year
 - 312 days/year.
- Total: loafs per month:
 - 52,000, then 260,000 after 3 years.
- Total turnover:
 - R1,582,560, then later R8,622,720
- Total Profit:
 - R259,371, then R 2,985,408



THE MACRO PERSPECTIVE: MILL PROCESSING PLANT

- Estimate number of tons milled per annum:
 - Wheat = 1250 tons,
 - Maize = 2500 tons.

- Total tons milled:

➤ 3750 tons.

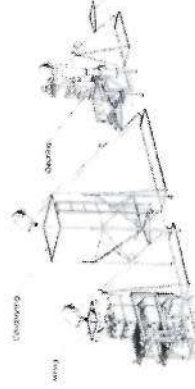
- Total turnover:

➤ R7,8 m.

- Total profit:

➤ R1,9 m.

MK3 - 310 SERIES
MODEL 3



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THE MACRO PERSPECTIVE: ORCHARDS PRODUCTION (CYMBIDIUMS)

Estimate number of tons milled per annum: 1250m².

Production cycles/year:

1 x 6 month period
6250 stems

Total yield on 1250m²:

R1,875m

Total turnover (year 4):

R1,25m

Total profit:



JWALE RE FINA SELEDU, RE
KENYA MOHOMA MOBUNG.
LEROLE LE A THUNYA,
MESEBETSI E YA QALA,
MAPHELO A FETOHA!!!!

A111



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Department of Agriculture, Forestry and Fisheries
P.O. Box 1212, Pretoria 0001

Q

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MPT-299



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MPT-300

CP

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF
THE REPUBLIC OF INDIA

AND

THE GOVERNMENT OF
THE REPUBLIC OF SOUTH AFRICA

ON

AGRICULTURAL COOPERATION

Q

PREAMBLE

The Government of the Republic of India (hereinafter referred to as "India") and the Government of the Republic of South Africa (hereinafter referred to as "South Africa") (hereinafter jointly referred to as the "Parties" and separately as a "Party");

TAKING INTO CONSIDERATION that it is in the interest of the Parties to maintain and strengthen their relations in the field of Agriculture;

RECOGNIZING the importance of technical and economic cooperation among developing countries through exchange of information, experience and research in the field of agriculture;

ACKNOWLEDGING the advantages to be derived by their respective peoples from the promotion of such co-operation;

IN ACCORDANCE with the prevailing domestic law in force in their respective countries;

HEREBY AGREE as follows:



Article 1
PURPOSE

The purpose of this Memorandum of Understanding is to promote scientific and technological capacity building and trade in agriculture, animal production and other related areas between the Parties, without prejudicing other fields of co-operation that may be considered in the future.

Article 2
COMPETENT AUTHORITIES

- (1) For the purpose of the implementation of this Memorandum of Understanding, the Competent Authorities shall be –
 - (a) on behalf of South Africa, the Department of Agriculture, Forestry and Fisheries; and
 - (b) on behalf of India, the Ministry of Agriculture.
- (2) The Competent Authorities may conclude subsidiary arrangements setting out the implementation programmes, which may include details of their aims, work plans, schedules, means of financing, participating organizations, officers in charge and obligations of respective Competent Authorities.

Article 3
SCOPE OF APPLICATION

The Competent Authorities shall, subject to the domestic law in force in their respective countries, endeavour to facilitate the necessary support and facilities to implement joint agricultural development programmes.

Article 4

AREAS OF CO-OPERATION

The broad areas of co-operation identified by the Parties shall include, but not be limited to the following:

- (a) Agriculture including animals, fisheries, poultry, agricultural extension, land and water management and its conservation and plants (agronomy and horticulture);
- (b) promotion of agricultural trade and investment;
- (c) agricultural biodiversity management and conservation;
- (d) enhancement of co-operation and co-ordination in the field of agriculture and allied sectors;
- (e) other related areas of interest that are mutually agreed upon by both Parties.

Article 5

JOINT AGRICULTURAL WORKING GROUP

- (1) A Joint Agricultural Working Group, (hereinafter referred to as the "JAWG") shall be established to implement the provisions of this Memorandum of Understanding.
- (2) The heads of the JAWG shall be senior officials.
- (3) The JAWG shall be responsible for establishing working groups, approving and overseeing their work plans, assessing the outcomes of implementing programmes of the Memorandum of Understanding, submitting proposals for their future development and improvement, and recommending solutions to overcoming problems and difficulties.

- (4) The JAWG shall meet in the Republic of South Africa and the Republic of India alternately to evaluate work plans and report on work progress unless the Parties agree otherwise.
- (5) The liaison secretaries respectively designated by both Parties shall manage the day-to-day work of the JAWG.

Article 6
FORMS OF CO-OPERATION

Co-operation shall consist of, but not be limited to the following:

- (a) Training involving courses, seminars, study tours and other necessary professional training on subjects of mutual interest;
- (b) exchange of technicians and researchers;
- (c) market development and promotion of agricultural trade;
- (d) study and elaboration of projects of technical assistance;
- (e) utilization of laboratory facilities involving the participation of private and public enterprises and organizations, including the private sector in the areas of animal and plant production;
- (f) exchange programmes for the improvement of animal and plant production, soil fertility, storage and processing;
- (g) promotion of contacts between the relevant public and private enterprises, organizations and other such fields as may be agreed upon by the Parties;
- (h) joint agricultural research including exchange of scientific and technical information;
- (i) any other related form of co-operation, the aim of which is to promote development in the field of agriculture of the two countries as agreed upon by the Parties;
- (j) identification and exchange of new technology and personnel relating to agricultural mechanization;
- (k) exchange of scientific and technical knowledge with regard to intellectual property rights in agriculture;
- (l) study tours and other professional training in agri-biotechnology;

- (r) agriculture biodiversity management and conservation and exchange of germplasm relating to agriculture development;
- (n) capacity building in biosafety and transgenic & technical co-operation;
- (o) enhancing co-operation and co-ordination between agriculture research institutes and regional organizations; and
- (p) exchange of information and expertise on post-harvest management, small production systems, biofuels, and dryland farming systems.

Article 7

INTELLECTUAL PROPERTY RIGHTS

- (1) For the purpose of implementing the collaborative activities under this Memorandum of Understanding, any intellectual property right held by one of the Parties shall remain the property of that Party.
- (2) The Party shall certify in writing that the intellectual property right referred to in sub-Article (1) has not resulted from the infringement of any third party's legitimate rights.
- (3) The Party referred to in sub-Article (1) shall be liable for any claim made by any third party on the ownership and legality of use of the intellectual property right which is claimed to be held by the aforementioned Party.
- (4) Any intellectual property right, data and information which resulted from research activities conducted under this Memorandum of Understanding shall be jointly owned by both Parties, and both Parties shall be allowed to use such property for non-commercial purposes free of royalty.
- (5) Should the intellectual property right, data and information which resulted from the co-operation activities under this Memorandum of Understanding be used for commercial purposes by one Party, the other Party shall be entitled to the royalties obtained from exploitation of such property on the basis of the principle of equitable contribution. In such case, the object of research activities conducted under this Memorandum of

Understanding shall constitute a part of the contribution of the Party from which the object derives.

- (6) The value of the object as part of the contribution shall be measured by taking into account the following factors:
 - (a) The scarcity of the object (the rarer the object, the higher its value will be); and
 - (b) the commercial value of the result of the research (the higher the commercial value, the higher the value of the project as part of the contribution will be).
- (7) If either Party wishes to disclose confidential data and / or information resulting from the collaborative activities under this Memorandum of Understanding to any third party, the disclosing Party must obtain written consent from the other Party before any disclosure can be made.
- (8) Whenever either Party requires the co-operation of another party outside the Republic of India or the Republic of South Africa for any commercial undertaking which resulted from the intellectual property covered by this Memorandum of Understanding, that Party shall give first preference in respect of the co-operation to the other Party under this Memorandum of Understanding, which shall be waived, if the other Party is unable to participate in a mutually beneficial manner.
- (9) Termination of this Memorandum of Understanding shall not affect the terms of the protection of intellectual property rights resulting from the implementation of this Memorandum of Understanding.

Article 8

DETAILS OF JOINT IMPLEMENTATION PROGRAMMES

The Parties shall promote, through the relevant institutions, the establishment of technical co-operation programmes, the details of which shall include but not be limited to-

- (a) the objectives and duration of the proposals;
- (b) the exact nature of the research, project or programme;
- (c) the personnel responsible for the implementation;
- (d) the financial needs and responsibilities; and
- (e) reports, as agreed upon, by the JAWG.

Article 9

FINANCIAL OBLIGATIONS

- (a) Each Party shall bear all the expenses incurred with regard to travelling and accommodation of its own participants to any meeting in respect of joint agricultural programmes, unless otherwise agreed by the Parties.
- (b) The Host Party shall be responsible for arrangements for meetings in respect of joint agricultural programmes with regard to local transport, provision of stationery, translation and secretarial services during the meeting.
- (c) Financial arrangements in terms of long term training and collaborative research projects shall be concluded through consultations.
- (d) The Parties shall agree to prepare joint programmes that may be submitted to international organisations or any other financial institution for assistance in financing the programmes.

Article 10

AMENDMENT

This Memorandum of Understanding may be amended or modified by mutual consent of the Parties through an Exchange of Notes between the Parties through the diplomatic channel.

Article 11**SETTLEMENT OF DISPUTES**

Any dispute or difference between the Parties arising out of the interpretation or implementation of this Memorandum of Understanding shall be settled amicably through consultation or negotiation between the Parties.

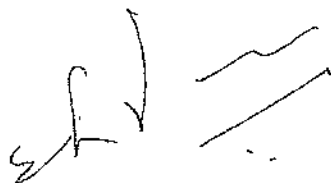
Article 12**ENTRY INTO FORCE, DURATION AND TERMINATION**

- (1) This Memorandum of Understanding shall enter into force on the date on which each Party has notified the other in writing through the diplomatic channel of its compliance with the constitutional requirements necessary for the implementation thereof. The date of entry into force shall be the date of the last notification.
- (2) This Memorandum of Understanding shall remain in force for a period of five (5) years, whereafter it shall automatically be renewed for further periods of five (5) years, unless terminated by either Party giving three (3) months written notice to the other Party of its intention to terminate this Memorandum of Understanding prior to the expiration of the initial period or prior to the expiration of each subsequent period, in case of its automatic extension.
- (3) The termination of this Memorandum of Understanding shall not affect the activities already in progress, which shall continue until their completion.

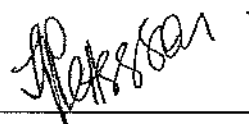


IN WITNESS WHEREOF the undersigned being duly authorised thereto by their respective Governments, have signed and sealed this Memorandum of Understanding in two originals in the English and Hindi languages, all texts being equally authentic. In the event of any divergence in interpretation between the texts, the English text shall prevail.

DONE at New Delhi on this 16th day of June 2010.



FOR THE GOVERNMENT OF
THE REPUBLIC OF INDIA



FOR THE GOVERNMENT OF
THE REPUBLIC OF SOUTH AFRICA





TO : THE PREMIER
HON. E.S MAGASHULE
FREE STATE PROVINCIAL GOVERNMENT

FROM : Mr. M.P THABETHE
HEAD OF DEPARTMENT FOR AGRICULTURE
DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT

SUBJECT: REQUEST FOR APPROVAL FOR HEAD OF DEPARTMENT FOR AGRICULTURE MR. P.M THABETHE AND ASHOK NARAYANA TO ATTEND A STRATEGIC MEETING WITH A STRATEGIC PARTNER IN INDIA FROM THE 29 FEBRUARY TO THE 04TH OF MARCH 2012 IN SUPPORT OF THE EXPANSION OF DAIRY FARMING IN THE FREE STATE.

1. PURPOSE

- 1.1. To request approval from the Honourable Premier to allow HOD for Agriculture **Mr. P.M THABETHE** and Advisor to the Premier **Mr. ASHOK NARAYANA** to undertake a trip to visit a dairy farm and attend a meeting with a strategic partner in India from the 29 - 04th of March 2012 in support of the expansion of dairy farming in the Free State.

2. MOTIVATION

- 2.1. Provincial Treasury received the final preliminary allocation letter from National Treasury on the 12th of December 2011. An amount of **R1.000 million** in 2012/13, **R0.873 million** in 2013/14 and **R0.873 million** in 2014/15 has been allocated additional to your baseline to cover carry-through costs on improvement in conditions of services.
- 2.2. The Department of Agriculture and Rural Development in response to the State of the Province address by the Free State Premier has identified dairy farming and infrastructure development for Agriculture support and Rural Development. Linked to the SOPA the Department will develop a dairy parlour and milk processing plants in Vrede, Setsoto Integrated Project and QwaQwa those projects are expected to create additional jobs for the people of the Free State.
- 2.3. The allocated budget of **R17 million** for the completion of three dairy plans would only be sufficient to cover the initiation phases of the project hence there is a need for a strategic partner to partner the Department for the completion of the projects within the specified period to comprehensively cover the value chain in terms of markets, further inputs and other unintended occurrences.

SIGNATURE: _____
DATE: _____



3. **FINANCIAL IMPLICATIONS**

3.1. The department will carry the travelling costs (See Annexure A)

Names	Cost	Total
HOD: Mr PM Thabethe	R 51,060.00 return trip *	R 105,1900
Mr Ashok Narayan	R 54,130.00 return trip *	
S&T and other expenses	Will be calculated upon return	R 00.00

* Including travel insurance, transfers, and accommodation

4. **RECOMMENDATIONS**

4.1. It is recommended that approval be granted by the Honourable Premier for **Mr. P.M Thabethe and Mr. Ashok Narayana** to undertake a trip to New Delhi, India on the 29th February to the 04th March 2012.

SUBMITTED BY:

Mr P.M THABETHE
HEAD OF AGRICULTURE
DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT
DATE: 24/02/2012

RECOMMENDED/NOT RECOMMENDED BY:

Mr M. ZWANE
MEMBER OF EXECUTIVE COUNCIL
DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT
DATE: ____/____/2012

RECOMMENDATION 4.1 APPROVED/NOT APPROVED BY:

HON. E.S MAGASHULE
THE PREMIER
FREE STATE PROVINCIAL GOVERNMENT
DATE: 28/02/2012

Stamp: RECEIVED
Date: 28/02/2012
Signature: [Handwritten signature]

Exceeding
ExcellenceTel. 051- 447 63 52; Fax. 051- 444 0415
E mail: maria@astratravel.co.za

24 February 12

To: LERATO

Dear Lerato

Herewith the quotes for New Delhi

NB Please note that there are only first class seats available on the Johannesburg/Dubai/New Delhi flights and I have quoted first class going and business class returning.

MR THABETHE/Mbana Peter

SA1012	29FEB	BLOEMFONTEIN/JOHANNESBURG	1630-1735
EK766	29FEB	JOHANNESBURG/DUBAI	2220-0820
EK516	01MAR	DUBAI/NEW DELHI	1010-1445
EK511	03MAR	NEW DELHI/DUBAI	1050-1315
EK765	03MAR	DUBAI/JOHANNESBURG	1440-2050
SA1003	04MAR	JOHANNESBURG/BLOEMFONTEIN	0800-0905

Nb: The flight from Dubai arrives too late in Johannesburg to still connect to Bloemfontein and Mr Thabethe will have to Overnight in Johannesburg

COST:

Air ticket

Airport taxes

Professional fees

Total air ticket

R41990.00

R 1750.00

R 4000.00

R47740.00

Insurance

R 270.00

Radisson Blue Suites New Delhi single room

Bed and breakfst only - they cannot supply the other meals as well
In on 01 March out on 03 March

R 4800.00

Transfers airport/hotel/airport

R 1320.00

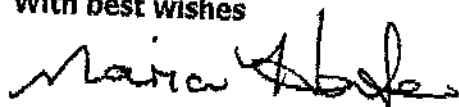
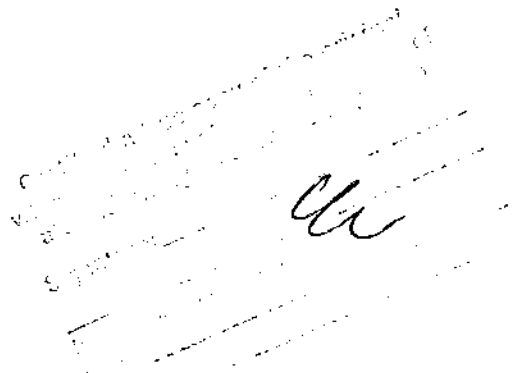
GRAND TOTAL**R54130.00**

NARAYAN/Ashok Mr

EK766	29FEB	JOHANNESBURG/DUBAI	2220-0820
EK516	01MAR	DUBAI/NEW DELHI	1010-1445
EK511	03MAR	NEW DELHI/DUBAI	1050-1315
EK765	03MAE	DUBAI/JOHANNESBURG	1440-2050

COSTS:

Air ticket	R39850.00
Airport taxes	R 820.00
Professional fee	R 4000.00
Total air ticket	R44670.00

Insurance**R 270.00****Radisson Blue Suites – single room****Bed and breakfast only – they cannot supply the other meals as well****In on 01 March out on 03 March****R 4800.00****Transfers Airport/hotel/airport****R 1320.00****GRAND TOTAL:****R51060.00****Please let me have a copy of your passport.****Assuring you of our best services at all times****With best wishes****Maria Hanton**
BRANCH MANAGER



Cabinet Reference No:

FREE STATE EXECUTIVE COUNCIL MEMORANDUM:

VREDE INTEGRATED DAIRY AGRI-BUSINESS PROJECT

**SUBJECT: VREDE INTEGRATED DAIRY AGRI-BUSINESS PROJECT:
PROPOSED INTEGRATION OF DAIRY AND OTHER ELEMENTS
OF PRODUCTION AND PROCESSING WITH EMPHASIS ON
VALUE-ADDITION AND BENEFICIATION.**

1. PURPOSE

To request for allocation of additional funds to create a large scale integrated self-sustainable Dairy Project in the Eastern Free State for the benefit black farmers and to build a self-sustainable business model that will open up employment opportunities for farmers at grass-root level and fuel economic growth in the Province.

2. BACKGROUND

2.2. The Department of Agriculture and Rural Development, in line with the vision of the "Mohoma Mobung" initiative, has identified the implementation of a Dairy Project in Vrede as its flagship Project. To this end DoA had recently commissioned a detailed study which validates the implementation of such a project. The DoA subsequently commissioned a high-level team to visit India, the largest milk-producer in the world, to explore the possibilities of attracting investments in this area. The department met with PARAS Dairy, the largest private milk producer in India and have agreed in principle to work with them on this prestigious project.

Dairying is an important source of subsidiary income to small/marginal farmers and agricultural labourers. Since agriculture is mostly seasonal, there is a possibility of finding employment throughout the year for many persons through dairy farming. The dairy will also provide employment throughout the year. The main beneficiaries of dairy programme are small/marginal farmers and landless labourers

CONFIDENTIAL

3. DISCUSSION

The department of Agriculture and Rural Development is setting up of an Integrated Dairy Project at Vrede in the Eastern Free State under the Mohoma Mobung initiative as outlined the concept document.

A phased investment by partners in the project is based on a total projected investment of R570m (five hundred and seventy million rand). The phased implementation of the above Dairy Project is based on an initial Grant of R30m (thirty million rand) by the Department whereby a total of R114 million is required per year. The department has a shortfall of R84 million per year over the next three years to implement this high level project. This will add up to a total committed Grant of R340m (three hundred million rand) over a period of three years.

The following high-level outcomes will be produced and delivered by the end of the project:

DAIRY INFRASTRUCTURE

The Department have identified 4,400 Hectares of Municipal Land in Phumelela Local Municipality in Vrede where the project will be established. Procure and setup a Dairy farm infrastructure for 500 Cows in-Dairy at the location identified by the Department in Vrede. the dairy construction will include amongst others the Dairy Parlour, Feed Storage, Feed-Lots and Land cultivation for Feed.

COMMUNITY DAIRY

Procure and facilitate the distribution of 500 Cows to members of the Community who will be identified by the Department. Identification of **100 members** of the Community who will receive **5 Cows** each as donation from the project. **Community Milking Centres** to be setup with easy access to members and will members will have access to **Feed, Vet Services and Training**. The **scheme Members will be paid** for milk from the cows donated to them which will be collected by the milk processing plant at the milking centres.

PROCESSING PLANT

State of the Art ISO 9001-2000 and HACCP Certified Facility to be set up at the identified site. The initial processing capacity of 100,000 litres per day will be constructed Initial targeted milk intake of 40,000 litres per day. Products to include Liquid Milk, UHT Milk, Cheese and other products

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PRODUCT MARKETING & SALES

Products will be branded "**Mohoma Mobung**" and aggressive marketing campaigns using celebrities and Sports icons as brand ambassadors. Supply of Bulk Milk to Hospitals and UHT Milk to Schools will form part of the marketing strategy.

MANAGEMENT

The shareholding Company will be structured according to the Agri-BEE norms stipulated by Government and Estina/Paras will be responsible for Project implementation and will also be responsible for the operational management of the Project during its life cycle.

DEPLOYMENT MODEL

It is envisaged that the Project will be split into two phases. Phase 1 will involve the deployment of the Dairy and Community Dairy Projects and is expected to be complete within 1 year of commencement. Phase 2 will involve the deployment of the Processing Plant and is expected to be complete within 2 years of commencement.

FINANCIAL MODEL

The total cost of the Project is estimated at R570 million. The initial investment for the establishment of the Dairy will be through Government funding of R114 million per year and the investment for the establishment of the Processing plant will be funded by Estina/Paras.

The department is requested to commit financially on the operations of the Dairy over a period of three years. Detailed technical Plan is being prepared and will be submitted to the Department.

OVERARCHING BENEFITS FOR THE PROVINCE AND THE NATION

- In line with the Agri-BEE business norms stipulated by Government, Estina proposes that a new Special Purpose vehicle (SPV) be created in which ESTINA will hold a 49% share while the remaining 51% shares will be distributed to selected Grant recipients.
- Estina will provide the required capital injection as well as the technical know-how, which will be provided by Paras.
- It is envisaged that this integrated agri-business project will become a centre of excellence for the entire Free State and even the neighbouring Provinces.

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- Eventually this Project will provide On-site, in-service practical agricultural training for aspirant farmers to equip them for the profitable operation and management of their own DARD projects, albeit:
 - Primary production of livestock and agricultural produce, or
 - Value-adding and beneficiation to livestock and agricultural produce
- Basic business, financial and management skills training and in-service application
- Cooperative processing, value-adding and beneficiation of livestock and agricultural produce for all DARD projects in the Free State
- Cooperative marketing facilities into the major consumer markets of South and Southern Africa for all milk projects in the Free State thus creating the necessary critical mass and economies of scale which will unlock additional financial benefit for project participants

4. DETAILED PROJECT COSTING FOR A DAIRY UNIT:

FIXED & WORKING CAPITAL	UNITS	BUDGET VALUE
Irrigation & mechanisation	1,000 ha	R45,000,000
Rain fed mechanisation	1,350 ha @ R20,000	R32,000,000
Dairy cattle – “Cows in Milk” (CIM)	500 ea @ R25,000	R12,500,000
Dairy cattle – Rest of herd (Followers)	500 ea @ R25,000	R12,500,000
Dairy bulls / A.I		R500,000
Milking parlour – 1,000 CIM unit	1,000 ea @ R5,000	R5,000,000
Bulk cooling tanks		R25,500,000
Dairy products manufacturing		R60,000,000
Pasteurizer		R60,000,000
UHT Long Life Milk PLant		R149,000,000
Other dairy equipment		R15,000,000
Feedlot		R14,000,000



Grain & oilseed mill		R19,000,000
Animal feed plant		R10,000,000
IP/Working Capital Requirement		R40,000,000
Total Funding Required	Excluding VAT	R500,000,000
Total Funding Required	Including VAT	R570,000,000

Proposed Source of funding:

Capital Injection/IP/Equipment etc	ESTINA / PARAS	R228,000,000
Grants of R114m/yr for 3 Years	DoARD	R342,000,000

5. ADDITIONAL FUNDING REQUIRED FOR CURRENT FINANCIAL YEAR

ADDITIONAL FUNDING REQUIRED CURRENT FINANCIAL YEAR		
Total Funding Required	Source	R114,000,000
Current F/Y Capital Injection	DARD	R30,000,000
Requested funding	Treasury	R84,000,000

6. CONCLUSION

The development of customised solutions is depended on the ability, to plan and design, associated costs, which support efficiently, delivery of projects timeously, that understanding puts Paras/ ESTINA PTY LTD/DARD partnership to be at the forefront of providing that solution.

7. RECOMMENDATIONS

It is recommended that the Executive Council;

- Considers and approves the implementation of the proposed Integrated Vrede Dairy agri-business Project.

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- b) Supports the sourcing of additional funding of R84 million for this current FY from the province.

SUBMITTED BY

Mr M Zwane
MEC for AGRICULTURE AND RURAL DEVELOPMENT

DATE: _____

NOTED AND APPROVED by EXCO:

EXECUTIVE COUNCIL

DATE: _____

TO: The Secretary: Free State Executive Council

Please place an appropriate item on the agenda of the Executive Council and distribute copies of this Memorandum to the respective Members of the Executive Council for consideration.

Mr. E.S. Magashule
Free State Premier

Date

CONFIDENTIAL



DRAFT PROPOSED EXCO RESOLUTION

CABINET MEETING _____ RESOLUTION NO. _____/2012

SUBJECT:**VREDE INTEGRATED DAIRY AGRI-BUSINESS PROJECT: PROPOSED
INTEGRATION OF DAIRY AND OTHER ELEMENTS OF PRODUCTION AND
PROCESSING WITH EMPHASIS ON VALUE-ADDITION AND BENEFICIATION.**

(File No. /2012)

(Department of Agriculture)

1. **RESOLVED** that approval be granted for additional funding to be allocated for the Vrede Integrated dairy agri-business project.

SECRETARY: EXECUTIVE COUNCIL_____
DATE_____
PREMIER: FREE STATE PROVINCE_____
DATE**CONFIDENTIAL**

FREE STATE PROVINCE
EXECUTIVE COUNCIL
RESOLUTION



PROVINSIE VRYSTAAT
UITVOERENDE RAAD
BESLUIT

CABINET MEETING: 13.06.2012

RESOLUTION NO. 62/2012

SUBJECT: VREDE INTEGRATED DAIRY AGRI-BUSINESS PROJECT; PROPOSED
INTEGRATION OF DAIRY AND OTHER ELEMENTS OF PRODUCTION AND
PROCESSING WITH EMPHASIS ON VALUE-ADDITION AND BENEFICIATION

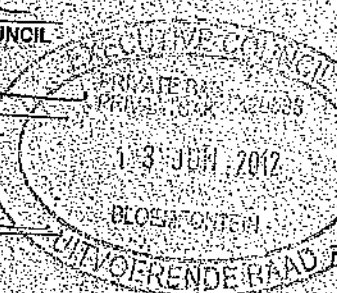
(Department of Agriculture and Rural Development)

- a) The Executive Council approved the following recommendations:
 - i) The implementation of the proposed Integrated Vrede Dairy agri-business project.
 - ii) Supports the Sourcing of additional funding of R84 million for this current FY from the province.
- b) The Executive Council further agreed that:
 - i) Where possible the department should meet the costs and will be later refunded and engage other relevant departments.
 - ii) The matter be further discussed in the Treasury Committee as a matter of urgency.
 - iii) FDC should also play a role, especially from the business point of view.
 - iv) For the next 3 years Department of Agriculture will have to pay R113 000.

SECRETARY, EXECUTIVE COUNCIL

MEC AGRICULTURE & RURAL
DEVELOPMENT

PREMIER



13/06/2012
DATE

13/6/2012
DATE

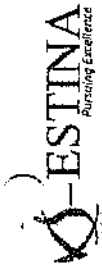
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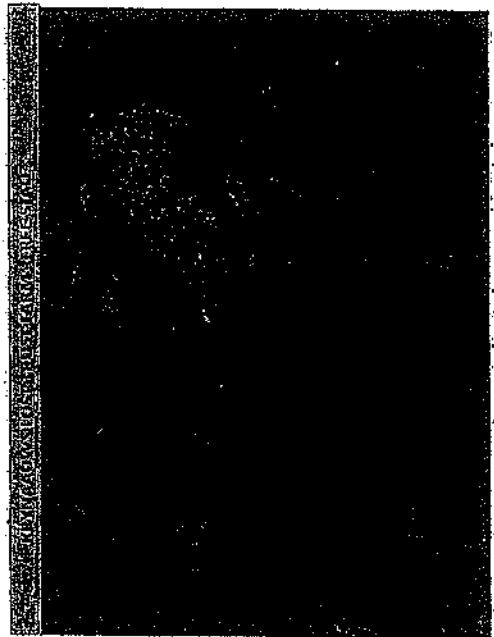
agriculture & rural development

Department of
Agriculture and Rural Development
FREE STATE PROVINCE

PROJECT PROPOSAL

Vrede Integrated Dairy Agribusiness project: Proposed integration of Dairy and other elements of production and processing with the emphasis on value-addition and beneficiation, such as a range of processed dairy products

aligned with the Agri-BEE business norms stipulated by Govt.



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4. Detailed Project costing for a large scale Dairy Unit.....	6
5. Phases for Project Deployment.....	7
6. Optimising the development potential of this flagship project.....	7
7. The viability of the chosen Dairy Project.....	8

1. Preamble

The Department of Agriculture and Rural Development (DoARD), in line with the vision of the Mohoma Mobung initiative, has identified the implementation of a Dairy Project in Vrede as its flagship Project. To this end DoARD had recently commissioned a detailed study which validates the implementation of such a Project. The DoARD subsequently commissioned a high-level team to visit India, the largest milk-producer in the world, to explore the possibilities of attracting investments in this area. The DoARD team met with PARAS Dairy, the largest private milk producer in India and have agreed in principle to work with them on this prestigious project.

2. Executive Summary

ESTINA PTY LTD is proud to inform the Department of Agriculture and Rural Development that it has signed a Memorandum of Understanding with PARAS DAIRY, the largest private milk producer in India, to deploy a flagship Dairy Project in Vrede. The Agreement covers setting up of Dairy Plants to produce milk and related Dairy products in South Africa. Although the DoARD team have already met with PARAS, it may be pertinent to list some of their strengths here :

- Largest Private Milk processors in India & the only Co. in North India to market Bactofuged Milk
- 5 State of the Art ISO 9001-2000 and HACCP Certified Manufacturing Facilities
- Total Liquid Milk intake of more than 720 Million Litres Per annum
- Processing capacity of 3 million Liters Per Day.
- Network Covering more than 5000 villages & a strong procurement base at village level
- Amongst the Largest Suppliers of Liquid Polypack Milk (250,000 Litres/Day supplied locally)
- Fleet of 300 Stainless Steel Insulated road milk tankers
- Modern Dairy Ingredients plant in collaboration with WESTFALIA SEPERATORS.
A.S.GERMANY, FILTRATION ENGINEERING INC. USA, APPLIXION FRANCE, ALFA LAVAL.
- Accredited as a 2 Star Export House by the Govt of India

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3. Proposed DARD flagship project

Thabo Mofutsanyana District :: Vrede Integrated Dairy Agribusiness project:

Proposed integration of Dairy and other elements of production and processing with the emphasis on value-addition and beneficiation, such as a range of processed dairy products

A large-scale integrated commercial agribusiness project is being envisioned for implementation at Vrede in the Thabo Mofutsanyana District of the Free State, which would be highly sustainable and which can make a significant contribution towards general development in the area.

The objectives with the project are to:

- Utilise the existing natural and other resources to create a viable large-scale integrated agro-industrial enterprise;
- Broaden the agro-industrial production base of the district;
- Improve the food security situation for a number of rural communities;
- Create a number of small enterprises; and
- Alleviate the poverty of the surrounding communities.

Despite the fact that a large-scale dairy operation is under threat of a number of risks, those risks can be mitigated by the deployment of a highly skilled management team. A well-planned dairy operation presents a number of opportunities for the integration of other activities and downstream value-adding and beneficiation.

For the planned integrated dairy project to be sustainable over the long term, it is planned to ensure that:

- The dairy over the long term, maintains at least 1 000 cows-in-milk, implying that another 1 000 non-producing followers, mainly female animals are fed, namely young or pregnant heifers and dry cows;
- The dairy cows are sheltered against the sun and heat stress during the summer months as well as against extreme cold during the winter months;
- Proper milking equipment and buildings are created;
- Milk processing equipment needed for pasteurising, cold storage, yoghurt, cheese and Amazi production, as well as distribution vehicles are in operation;
- Effluent usage on crop fields to reduce the use of chemical fertilizers;
- Feed production in the form of grains, annual legume crops, hay, lucerne and silage under dry land and 1 000 hectare of irrigation;

- Creation of facilities for the orderly storage, refrigeration, transport and marketing of the respective products; and
- Integration of small holder farmers on the periphery to produce various products under contract to the nucleus project.

In the short-term, the milk will be procured from the local farmers and then processed in-house. This operation will then gradually be expanded to include in-house rearing and milking of cows over the long term. In this manner, the risks envisaged in a large scale dairy operation will be mitigated by the gradual scaling up of the operation.

This project is designed to be the flagship of DoARD developments for the Free State in order to demonstrate the significant advantages to be enjoyed by the skilful integration of various elements in the agro-industrial value-adding system.

In Table 1 below a short summary is provided of the salient figures which apply to the planned project.

Project information table

YM33: Estimated figures for the Vrede Project: Dairy, grains, beans, oilseeds, livestock production, processing, value addition, etc.	Estimated values
Natural veld grazing (hectare):	3 100
Irrigable area (hectare):	1 000
Turnover (R million):	80.00
Net Profit (R million):	600
Employment opportunities:	

All above figures are excluding VAT

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5. Phases for Project Deployment

In discussions with the Department, the Department has brought to the fore the problem of lack of funding for this Project which has been a major stumbling block in the execution of this project in the past. With a view to crystalizing the vision of the Department, Estina together with Paras Dairy are proposing a phased approach to the Project, whereby the Department will release available funds and Estina will ensure the implementation of the project in a modular form with technical know-how inputs from Estina/PARAS and when required, financial participation as well. Estina will prepare a project plan with clear deliverables based on the available funds released by the Department and will work with the Project Management Unit of the Department to ensure maximum returns on the amounts invested by the Department over a period of time. It is envisaged that as the project is delivered in phases, additional funding can be procured from various stakeholders when the viability of the project is demonstrated through the actual deployed working model.

6. Business Model

In line with the Agri-BEE business norms stipulated by Government, Estina proposes that a new Special Purpose vehicle (SPV) be created in which ESTINA will hold a 49% share while the remaining 51% shares will be distributed to at least three selected Grant recipients. Estina will provide the required capital injection as well as the technical know-how, which will be provided by Paras. Estina will endeavour to fund the entire Project itself and is requesting the Government to commit to an annual Grant of R100m per year for FIVE years to ensure that the Project remains sustainable and commercially viable.

7. Optimising the development potential of this flagship project

It is envisaged that this DARD integrated agribusiness project will become a centre of excellence for the entire Free State and even the neighbouring provinces:

Eventually this Project will provide:

- On-site, in-service practical agricultural training for aspirant farmers to equip them for the profitable operation and management of their own DARD projects, albeit:
 - Primary production of livestock and agricultural produce, or
 - Value-adding and beneficiation to livestock and agricultural produce
- Basic business, financial and management skills training and in-service application

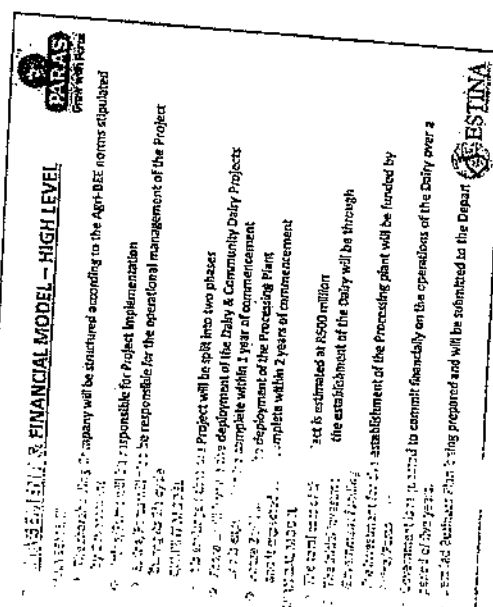
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- Cooperative processing, value-adding and beneficiation of livestock and agricultural produce for all DARD projects in the Free State

Cooperative marketing facilities into the major consumer markets of South and Southern Africa for all DARD projects in the Free State thus creating the necessary critical mass and economies of scale which will unlock additional financial benefit for all DARD project participants

8. The need for the chosen Dairy Project

It can be concluded that there is an urgent need for this project based on the following facts:

- The sale of milk provides extra income on a regular basis to rural people who often have just enough to get by. Milk sales also improve the nutritional status of rural populations, though not necessarily the urban needy. Milk is also one of the few agricultural products which can be supplied and marketed regularly by non-landowners. A dairy plant creates jobs in rural areas, and thus helps check urban migration.
- Milk and milk products are thought of as staple foods in Europe. Favourable production conditions mean that everyone can consume large amounts of milk and dairy products. For many of the world's peoples, however, even though milk plays no role in the diet, if balanced food is available in sufficient quantities, neither health nor welfare should be affected by the lack of milk. Recommended Third World dairy policies fall somewhere between these two extremes. Milk protein can enhance plant protein and in a diet combining several foods, a compensatory balance is established among the various sources of proteins. Animal proteins supply essential amino acids, plant proteins can then economically top up the total supply.

S. Gautam

Sanjeev Gautam
Managing Director

Date: May 15, 2012

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agriculture & rural development
Department of
Agriculture and Rural Development
FREE STATE PROVINCE

Enq: Dr T.J. Mastling: GM: District Services
Tel No.: 051 861 8424/23
Date: 05/07/2012

TO: Mr. M. P. Thabethe
Head of Department: Agriculture
Private Bag X01, Glen, 9360

SUBJECT: APPROVAL TO ACCEPT THE PROPOSAL FOR THE ESTABLISHMENT
OF INTEGRATED DAIRY IN VREDE FROM ESTINA.

1. PURPOSE

The purpose is to obtain approval from the Head of Department to:

- accept the proposal from Estina/Paras with regard to the establishment of Integrated Dairy in Vrede, and
- enter into a Memorandum of Agreement with Estina/Paras to implement the integrated dairy project in Vrede
- to deviate from the normal Supply Chain Management processes and procedure and appoint Estina/Paras to implement/establish Integrated Dairy in Vrede.

2. BACKGROUND

The department has introduced "MOHOMA MOBUNG STRATEGY" as a provincial approach when implementing agricultural initiatives and "Zero Hunger" strategy. Therefore, the identified and prioritised projects have been carefully analysed and selected to contribute to the Mohoma

Mobung Strategy. In line with the value adding approach, the department has identified Thabo Motlatsanyane as a dairy hub. Vrede Integrated Dairy project was identified and accepted as multi-year mega project that will contribute to income generation, decent job creation and the creation of on and off farm agri-business, value chain enterprises.

The department in consultation with ESTINA/PARAS have identified 4,400 hectares of Municipal land in Vrede as the general location where the project can be suitably established. The Municipality have agreed to avail the land for the implementation of the project. The PARAS is the largest private milk producer in India and have the technical know-how and has agreed to work with the department.

PARAS's involvement in milk industry will improve milk productivity locally, provincially, nationally and internationally. The PARAS are already experienced and knowledgeable on International Marketing (EU: (Germany, France, Turkey, Belgium, Italy, Ireland, Denmark, Poland, Netherlands etc.), Asia: (Singapore, Thailand, S Korea, Indonesia, Philippines, Japan, Bangladesh, Afghanistan, Pakistan, Sri Lanka etc.), Africa: (Sudan, Nigeria, Ivory Coast, Madagascar, Morocco, Egypt), Middle East: (UAE, Saudi Arabia, Yemen, Oman, Qatar, Kuwait, Jordan, Bahrain, Syria, Lebanon), Oceania: (New Zealand, Australia) which will serve as an added advantage for the project. The PARAS are internationally recognised and would like to maintain that recognition. It is against this background the department is seeking to deviate against the Normal SCM processes and procedures and enter into a Memorandum of Agreement with ESTINA/PARAS to implement and manage the operations of the project during its life cycle. The shareholding company will be structured according to the AGRIBEE norms as stipulated by the Government of the Republic of South Africa.

The total cost of the project is estimated at between R400 to R570 million (inclusive of vat). The initial investment for the establishment of the dairy will be through government funding. The investment for the establishment of the processing plant will be funded by ESTINA/PARAS. Government is committing financially on the operations of the dairy over a period of three years.

4. FINANCIAL IMPLICATIONS

The department has set aside R30 million under Mohama Mobung in the current financial year 2012/13 for this initiative. The intended period for the completion of this initiative is over a period of three years.

5. COMMUNICATION IMPLICATIONS

All relevant role players will be informed about the outcome of this submission.

6. PARTIES CONSULTED

The Executive Management of the Department of Agriculture and Rural Development, Phumelela Local Municipality Management and the Management of ESTINAPARAS.

7. AUTHORITY FOR APPROVAL

The authority of approval is vested in the Head of Department: Agriculture.



8. RECOMMENDATION

It is recommended that approval is granted by the Head of Department to:

- accept the proposal from Estina/Paras with regard to the establishment of Integrated Dairy in Vrede, and
- enter into a Memorandum of Agreement with Estina/Paras to implement the integrated dairy project in Vrede
- to deviate from the normal Supply Chain Management processes and procedure and appoint Estina/Paras to implement/establish Integrated Dairy in Vrede.

SUBMITTED BY  DR. T.J. MASITENG GM: District Services	RECOMMENDED/ NOT RECOMMENDED  MS. S. DHLAMINI CFO: DARD	APPROVED/ NOT APPROVED  MR. P.M. THABETHE HoD: Agriculture
---	---	--



THE MANAGING DIRECTOR
ESTINA (PTY) LTD
GRAYSTON RIDGE OFFICE PARK
114 KATHERINE STREET
SANDTON

Attention: Sanjeev Gautam

ACCEPTANCE LETTER: PROJECT PROPOSAL FOR VREDE INTEGRATED
DAIRY AGRIBUSINESS

1. Your project proposal for the VREDE INTEGRATED DAIRY AGRIBUSINESS and related presentation to the department refers.
2. The department hereby informs you that the proposal has been accepted subject to the signing of the partnership agreement which will clearly indicate the terms and conditions of the relationship.
3. The implementation date will be the date of the last signature on the agreement.

Hope you find the above in order.

Kind regards,

.....
Mr Peter Thabethe
Head of department: Department of Agriculture
Date: 27/05/2012.

Private Bag X02, Bloemfontein, 9300
Chemistry Building Ground Floor, Room 110 Glen
Tel: (051) 861 8425 Fax: (051) 861 8456
Email: pac@agri.gov.za

www.agri.gov.za

[Signature]

[Signature]
06/07/12

AGREEMENT

entered into and between

THE DEPARTMENT OF AGRICULTURE
(the "Department")

and

ESTINA (PTY) LTD
(“Estina”)

[Signature]

[Signature]

SG.
RS

SSA

1. PARTIES

The Parties to this Agreement are -

- 1.1 **THE FREE STATE DEPARTMENT OF AGRICULTURE** a provincial Department as contemplated in section 7(2) of the Public Service Act, 1994 (Proclamation No.103 of 1994) read with Schedule 2 thereof (as amended), herein represented by the Head of the Department, being duly authorised thereto (the "Department") for the benefit of beneficiaries to be identified by the Department; and
- 1.2 **ESTINA**, a company with registration number 2008/015033/07, duly registered in accordance with the company laws of the Republic of South Africa, with its registered address at Block A, 1st Floor, Grayston Ridge, 144 Katherine Street Sandton, herein represented by Mr Sanjeev Gautam, Managing Director being duly authorised thereto ("Estina"),

who warrant that they are duly authorised hereto.

2. RECORDAL

It is recorded that -

- 2.1 The Department has in line with the vision of **Mohoma Mobung Initiative** identified the need to establish a Dairy Project in Vrede.
- 2.2 The Governments of the Republic of South Africa and India entered into a Memorandum of Understanding on agricultural cooperation which include promotion of agricultural trade and investment.
- 2.3 The Department has met with **Paras Dairy** the largest private milk producer in India who have the technical know-how and has the rights to the internationally brand names and has agreed to work with the Department.
- 2.4 **Estina** is the counterpart of **Paras Dairy** in South Africa and is therefore sole provider who can execute the Project.

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SSD

SS

RS

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- 2.5 Estina is willing and able to execute the project (as defined in clause 3.1 hereunder), and has the necessary experience and expertise in connection therewith.
- 2.6 This Project shall also in effect to black economic empowerment in accordance with the AGRIBEE Charter on Black Economic Empowerment issued by the Minister of Trade and Industry on 20 March 2008.
- 2.7 The Parties agree as set out herein.

3. DEFINITIONS AND INTERPRETATION

3.1 Definitions

In this Agreement, unless the context otherwise requires, the following capitalised terms shall have the meanings assigned to them below and cognate expressions shall have corresponding meanings:

"Agreement" means this Agreement including Annexures and Addendum;

"AGRIBEE entity" means entity in line with AGRIBEE Charter on Black Economic Empowerment issued by the Minister of Trade and Industry on 20 March 2008;

"beneficiaries" are persons from the Vrede area which meets the requirements of the AGRIBEE Charter on Black Economic Empowerment issued by the Minister of Trade and Industry on 20 March 2008

"Duration of Agreement" three (3) years from date signature of the party signing last

"Estina Proposal" means Proposal in respect of the Project attached hereto as Annexure B;

"Failure" means any failure by Estina to perform its obligation in terms of this Agreement;

SSJ SSJ SSJ

"Good Industry Practice" applying, in relation to the manner in which the obligations are rendered, the standards, practices, methods and procedures conforming to applicable Law, and exercising that degree of skill, care, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced person engaged in a similar type of undertaking under similar circumstances;

"Law" means all applicable laws, ordinances, regulations, judgments and orders of any competent court, governmental agency or authority in any relevant jurisdiction within the Republic of South Africa;

"Obligations" means obligations as set out in clause 6;

"Parties" means the Department and Estina, and any reference to "a Party" shall refer to one of the relevant Parties as required by the context;

"Project" means the Diary Project at Vrede;

"the/this Agreement" means this Agreement between the Parties together with the Annexures thereto.

3.2 Interpretation

This Agreement shall be interpreted according to the following provisions, unless the context requires otherwise:

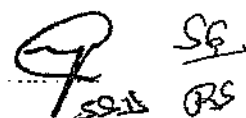
3.2.1 References to the provisions of any Law shall include such provisions as amended, re-enacted or consolidated from time to time in so far as such amendment, re-enactment or consolidation applies or is capable of applying to any transaction entered into under this Agreement.

3.2.2 References to "Parties" shall include the Parties' respective successors-in-title and, if permitted in this Agreement, their respective cessionaries and assignees.

3.2.3 References to a "person" shall include an individual, firm, company, corporation, juristic person, responsible authority, and any trust, organisation, association or partnership, whether or not having separate legal personality.

SG
SSD RS

- 3.2.4 References to "clauses", "sub-clauses" and "Annexures" are references to the clauses, sub-clauses and Annexures of this Agreement.
- 3.2.5 References to any other contract or document shall include (subject to all approvals required to be given pursuant to this Agreement for any amendment or variation to or novation or substitution of such contract or document) a reference to that contract or document as amended, varied, novated or substituted from time to time.
- 3.2.6 Words in parentheses and italics appearing after a clause reference or a reference to a schedule are inserted for ease of reference only. If there is any discrepancy between the clause reference and the words in parentheses and italics, the latter shall prevail.
- 3.2.7 The headings of clauses, sub-clauses and Annexures are included for convenience only and shall not affect the interpretation of this Agreement.
- 3.2.8 The Annexures to this Agreement are an integral part of this Agreement and references to this Agreement shall include the Annexures.
- 3.2.9 The Parties acknowledge that each of them has had the opportunity to take legal advice concerning this Agreement, and agree that no provision or word used in this Agreement shall be interpreted to the disadvantage of either Party because that Party was responsible for or participated in the preparation or drafting of this Agreement or any part of it.
- 3.2.10 Words importing the singular number shall include the plural and vice versa, and words importing either gender or the neuter shall include both genders and the neuter.
- 3.2.11 References to "this Agreement" shall include this Agreement as amended, varied, novated or substituted in writing from time to time.
- 3.2.12 The number of days indicated to commit an act or indicated for any other purpose, is calculated by excluding the first day and including the last day.

Handwritten signature and initials, including "SG" and "PS".

3.2.13 If any definition in clause 3.1 (*Definitions*) contains a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to such provision as if it was a substantive provision in the body of this Agreement.

3.2.14 In the event of an inconsistency between the provisions of this Agreement and the Annexures hereto, the provisions of this Agreement shall prevail,

4. APPOINTMENT

The Department agrees that Estina will implement and manage the Project in accordance with the terms and conditions of this Agreement for the duration of the Agreement.

5. CO-OPERATION

Each Party shall co-operate with the other in the exercise and performance of their respective rights and obligations under this Agreement.

6. OBLIGATIONS OF ESTINA

6.1 Estina shall in phase 1 perform the obligations mentioned in Annexure A by 31 December 2012.

6.2 Estina shall provide a capital injection of R228 000 000 (South African currency).

6.3 Estina ensure that the beneficiaries own 51% of the AGRIBEE entity the remaining shares belongs to Estina: Provided that should Estina decide to sell its shares, the Department will have the right of first refusal.

6.4 No dividends shall be payable before the AGRIBEE entity is self-sustainable.

6.5 Estina shall in Phase 2 (setting up and management of dairy) and 3 (setting up and management of processing plant) perform its obligations in line with their Proposal as mentioned in Annexure B and in line the agreed milestone as envisaged in Annexure A and these must be included to the agreement as an addendum.

[Handwritten signatures and initials]
 F SG
 SS RS

- 6.6 **Estina** shall in execution of the Project, avoid undue hindrance, interruption or interference with the operations of the **Department** or otherwise hinder the activities of the **Department** and its employees, save to the extent entitled to do so in terms of this Agreement or as may be reasonably necessary for the performance of its obligations under this Agreement.
- 6.7 **Estina** shall devote the necessary time and attention to their obligations and not engage in any business or activity that will prevent **Estina** from performing its obligations effectively.
- 6.8 **Estina** shall not be relieved of any obligation, responsibility or liability under this Agreement by the appointment of any sub-contractor to carry out any part of its obligations. As between **Estina** and the **Department**, **Estina** shall be responsible for the payment, performance, acts, defaults, omissions, breaches and negligence of all sub-contractors. All references in this Agreement to any performance, payment, act, default, omission, breach or negligence of **Estina** shall be deemed to include any of the same by a sub-contractor.
- 6.9 The **Department** shall at all reasonable times and with prior written notice have access to the property, all records and documentation (including the right to reproduce) required of **Estina** to be kept in relation to the Project for purposes of auditing, quality control and monitoring of the Project by the **Department**.
- 6.10 **Estina** and the **Department** shall each take reasonable precautions (having regard to the nature of their other respective obligations under this Agreement) to preserve the integrity of the **Department's** data and to prevent any corruption or loss of the **Department's** data.
- 6.11 In the event that the **Department's** data is corrupted or lost as a result of any default by **Estina** the **Department** shall have the option, in addition to any other remedies that may be available to it either under this Agreement or otherwise, to elect either of the following remedies:
- 6.11.1 The **Department** may require **Estina** at its own expense to restore or procure the restoration of the **Department's** data;


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6.11.2 The Department may itself restore or procure restoration of the Department's data and shall be repaid by Estina.

6.12 Estina shall:

6.12.1 carry out its obligations (each as a separate and distinct obligation);

6.12.2 at its own cost, risk and expense and in accordance with Good Industry Practice;

6.12.3 in a manner which gives priority to health and safety in the performance of the obligations in order to protect life, health, property and the environment;

6.12.4 in compliance with the reasonable policies, procedures, protocols and directives of the Department (as may be amended from time to time) as indicated;

6.12.5 employ persons in connection with the performance of the obligations who have the necessary skills and experience as required by their respective professions, trades and callings and taking into account their roles and responsibilities in relation to the Project;

6.12.6 ensure that all aspects of the Project are supervised by sufficient numbers of persons having adequate knowledge of such matters for the satisfactory and safe performance of its obligations; and

6.12.7 shall upon receipt of a request by the Department within 5 (FIVE) days supply to the Department evidence substantiating its compliance with this clause.

7. GENERAL RIGHTS AND OBLIGATIONS OF THE DEPARTMENT

The Department –

7.1 shall assist Estina with adequate access to information and documentation available to the Department that will be required by Estina to implement the Project;

7.2 shall make payments in terms of clause 13 (Payment);

SG
RF
SSA

- 7.3 shall identify beneficiaries for the AGRIBEE entity;
- 7.4 shall consider and approve the milestones determined by Estina for Phase 2 and 3;
- 7.5 shall inform Estina of its policies, procedures, protocols and directives as may be applicable to the Project and shall timeously inform Estina of any amendments thereto.

8. WARRANTIES

8.1 Estina warranties

Estina warrants that -

- 8.1.1 It is the counterpart of PARAS and the sole provider for the services in the Project;
- 8.1.2 the obligations of Estina under this Agreement are legal, valid and binding and enforceable against it in accordance with the terms of the Agreement;
- 8.1.3 it has satisfied itself as to the nature and extent of the obligations to be provided in terms of the Agreement; and
- 8.1.4 it has the necessary resources, skills, expertise and experience required to carry out the obligations in terms of this Agreement and will use reasonable care and skill in the execution of the same under this Agreement.

9. PERFORMANCE MONITORING

- 9.1 Estina shall monitor its performance in the delivery of the Project, and shall implement appropriate monitoring and management procedures in respect of the Project, including any reasonable monitoring procedures as the Parties may from time-to-time agree.
- 9.2 On the notification of any Failure or complaint regarding the quality of its performance, Estina shall attend to such notification with the urgency appropriate to the nature of the Failure or complaint.

9.3 **Estina** shall on a monthly basis prepare and submit financial reports to the **Department** and a quarterly performance report in respect of its performance, including any Failures and such other information as the **Department** may reasonably require from time to time.

9.4 The **Department** shall monitor the performance of **Estina** and may at any time in addition to the report in clause 9.3 request any other information.

10. CONFIDENTIALITY

10.1 **Estina** shall not, during the term of this Agreement and thereafter, without the prior written consent of the **Department**, disclose any confidential information relating to the **Department** and the Project to anyone other than those persons who are connected to the **Department** and/or **Estina** and who are required or authorised to have access to such information.

10.2 The obligation to maintain the confidentiality of information shall survive the termination of this Agreement, but will not apply to confidential information which was in the public domain prior to being disclosed by **Estina** and has come into the public domain other than as a result of being divulged by **Estina** or is required to be disclosed by a court of law.

11. OWNERSHIP OF INTELLECTUAL PROPERTY

11.1 Information provided by the **Department** to **Estina** and any studies, reports and documentation produced by **Estina** in the performance, but excluding any materials that contain any of **Estina's** pre-existing intellectual property rights, methodologies or know-how, shall belong to and remain the property of the **Department**, and will not be used by **Estina** for any purpose other than in accordance with this Agreement, unless by written permission of the **Department**.

11.2 Upon termination of this Agreement for any reason whatsoever, **Estina** must return without delay to the **Department** all materials in its possession, which belong to the **Department**, regardless of whether or not such materials were originally supplied by the **Department** to **Estina**.

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12. FINANCIAL CONTROL

This Agreement is subject to the provisions of the Public Finance Management Act, 1999 (Act No.1 of 1999).

13. PAYMENT

13.1 The Department shall make payment as follows:

13.1.1 to Estina an initial amount of R30 million to execute phase 1 as set out in Annexure A on the signature of the last party;

13.1.2 on certification that Annexure A has materially been complied with, as well as completion of milestones by Estina as set out in the Project Plan: Provided that advance payments may be made to Estina on properly motivated requests as approved by the Department.

13.2 The money payable by the Department during the term of this Agreement shall not exceed the amount of R342 million including Value Added Tax ('VAT') over a period of three years. To avoid doubt, the total amount of the invoices submitted throughout the term of this Agreement shall not exceed the aforementioned amount.

13.3 Estina shall pay R228 million towards the project payable as contemplated in clause 6.2 read with Annexure A.

13.4 Budget

13.4.1 Estina shall in all cases, irrespective of the basis payment, prepare an estimated budget (including allowance for VAT) for the cost of the Project for the various stages of the Project for approval by the Department in accordance with Annexures A, B and the contemplated Addendum; and

13.4.2 Such budgets must be revised and updated quarterly or as instructed by the Department and all potential additional expenditure and or over-expenditure must be with the consent and approval of the Department.

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RS

13.5 Invoices

13.5.1 Estina shall submit to the Department invoices together with relevant reports in line with the Project Plan detailing description of the component of the Project completed by Estina for which payment is being claimed;

13.5.2 The Department shall pay the amount of the Invoice within 30 (THIRTY) days of its submission and delivery to the Department of a valid invoice in respect thereof, together with the relevant reports contemplated in clause 9 (*Performance and Monitoring*).

13.5.3 If the Department disputes, in good faith, any amount, or the calculation, composition or supporting information evidencing any amount, set out in a Invoice, the Department shall be entitled to withhold payment of the amount so disputed (the "Disputed Amount").

13.5.4 The Parties shall liaise and use reasonable endeavours to agree on the Disputed Amount. Where the Disputed Amount is not agreed upon within 10 (TEN) Business Days either Party may refer the matter to for resolution pursuant to clause 16 (*Dispute Resolution*).

13.5.5 All amounts payable in terms of this Agreement shall be inclusive of VAT.

14. INSURANCE

Estina shall maintain professional indemnity insurance with a limit of indemnity not less than the value of the Project for any claim in respect of any neglect, error or omission on the part of Estina in the performance of its obligations under this Agreement, for the duration of this Agreement.

15. TERMINATION

15.1 Non-default termination

15.1.1 This Agreement shall automatically be terminated on the termination date, unless it has been terminated earlier in accordance with the provisions of this Agreement.

Handwritten signatures and initials: A large stylized signature, and initials "SSD" and "RS" below it.

15.2 Breach

15.2.1 A party commits breach if he fails or refuses to perform as agreed in terms of the provisions of the agreement.

15.2.2 Should any Party (the "guilty party") commit a breach of this Agreement and fail or refuse to rectify that breach within 14 (FOURTEEN) days after receipt of a written notice from the other Party (the "innocent party"), calling upon the guilty party to rectify that breach, the innocent party shall be entitled, without prejudice to any other of his rights, to forthwith cancel this Agreement by written notice to the guilty party.

15.3 Exhaustion of Funds

It is also agreed that should funds no longer be available to pay for the execution of the Project, the Department may terminate this Agreement in its own discretion or temporarily suspend all or part of the Project by notice to Estina who shall immediately make arrangements to stop the performance of the Project and minimize further expenditure. Provided that Estina shall thereupon be entitled to payment in full for the services delivered, up to the date of termination or suspension.

16. DISPUTE RESOLUTION

- 16.1 The dispute resolution procedure contained in this clause shall apply to any dispute, claim or difference between the Parties arising out of or relating to this Agreement ("a dispute").
- 16.2 A dispute will not be deemed to be a dispute until one of the Parties has provided a written notice conveying the nature and scope of the dispute to the other Party.
- 16.3 Parties will endeavour to solve all disputes amicably first.
- 16.4 If the Parties have been unable to resolve any dispute within 10 (TEN) working days of the date of the notice contemplated in clause 16.2.
- 16.5 Nothing in this clause prevent any Party to approach the Free State High Court having to obtain urgent relief which may be required by such Party.

17. INDEMNITIES

Estina indemnifies and shall keep the **Department** indemnified at all times against all losses sustained by the **Department** in consequence of -

17.1 any -

17.1.1 loss of or damage to property;

17.1.2 breach of a statutory duty arising under any applicable Law;

17.1.3 claim for or in respect of the death or personal injury of any Individual; or

17.1.4 other claim, action, charge, cost, demand or expense,

(including, without limitation, any legal fees or costs) arising in connection with the performance or non-performance of any of the obligations, save to the extent caused by the gross negligence or wilful misconduct of the **Department** or by a breach by the **Department** of an express provision of this Agreement that is directly linked to the loss; or

17.2 any breach by Estina of any warranties given by it in this Agreement.

18. CONTRACT MANAGEMENT

Both Parties shall nominate and appoint Contract Managers from time to time by written notification of their appointment to the other Party to facilitate the implementation of the agreement.

19. MISCELLANEOUS

19.1 Save as expressly permitted hereunder, a Party shall not, without the prior written approval of the other Party, which shall not be unreasonably withheld, assign, cede, delegate, transfer or otherwise dispose of any right or obligation under this Agreement to any other person.

Handwritten signatures and initials: *ESD*, *RS*, *SG*.

- 19.2 **Estina** shall not subcontract with any person for the carrying out of any of its obligations under this Agreement, without, in each case, the prior written consent of the **Department**, which consent shall not be unreasonably withheld or delayed.
- 19.3 This Agreement shall be governed by and construed in accordance with the laws of the Republic of South Africa. Each Party agrees that the Free State High Court of South Africa shall have exclusive jurisdiction to hear and decide any application, action, suit, proceeding or dispute in connection with this Agreement, and irrevocably submits to the jurisdiction of the Free State High Court, Bloemfontein.
- 19.4 No provision of this Agreement including, without limitation, the provisions of this clause may be amended, substituted or otherwise varied, and no provision may be added to or incorporated in this Agreement, except (in any such case) by an agreement in writing signed by the duly authorised representatives of the Parties.
- 19.5 Any relaxation, indulgence or delay (together "Indulgence") by either Party in exercising, or any failure by either Party to exercise, any right under this Agreement shall not be construed as a waiver of that right and shall not affect the ability of that Party subsequently to exercise that right or to pursue any remedy, nor shall any Indulgence constitute a waiver of any other right (whether against that Party or any other person).
- 19.6 Except where expressly provided to the contrary in this Agreement, this Agreement constitutes the entire agreement between the Parties in connection with its subject matter and supersedes all prior representations, communications, negotiations, understandings and agreements concerning the subject matter of this Agreement.
- 19.7 This Agreement may be executed in any number of identical counterparts, all of which when taken together shall constitute one agreement. Any single counterpart or a set of counterparts taken together which, in either case, are executed by the Parties shall constitute a full original of this Agreement for all purposes.
- 19.8 All notices and any other communications whatsoever (including, without limitation, any approval, consent, demand, query or request) by either Party in terms of this Agreement or relating to it shall be given in writing and sent by registered post, or delivered by hand, or transmitted by facsimile or electronic mail to the recipient Party at its relevant address set out below:

19.8.1 the Department, at:

Address: Building No 4
 Glen Agricultural College
 Giellie Joubert Street
 Glen
 Postal address: PO BOX 01 Glen, 9360
 Facsimile number: 051 861 8454
 Marked for the attention of: The Head of Department

19.8.2 Estina, at:

Address: Block A, 1st Floor, Grayston Ridge, 144 Katherine
 Street Sandton
 Postal address: BLOCK A, 1st FLOOR, GRAYSTON RIDGE
144 KATHERINE STREET, SANDTON
 Facsimile number: 086 733 0022
 Marked for the attention of: Managing Director

19.9 Either Party may, by written notice to the other Party, change any of the addresses at which, or the designated person for whose attention those notices or other communications are to be given.

19.10 Any notice or other communication given by any Party to the other Party which –

- 19.10.1 is sent by registered post to the addressee at its specified address shall be rebuttably presumed to have been received by the addressee on the 7th (SEVENTH) day after the date of posting; or
- 19.10.2 is delivered by hand during the normal business hours of the addressee at its specified address shall be rebuttably presumed to have been received by the addressee at the time of delivery; or

SG
 RS

19.10.3 is transmitted by facsimile copier to the addressee at the addressee's specified facsimile number shall be rebuttably presumed to have been received by the addressee on the date of transmission as indicated on the sender's facsimile transmission report; or

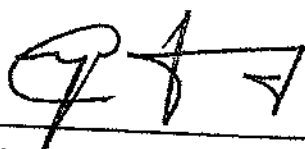
19.10.4 is transmitted by electronic mail to the addressee at the addressee's specified electronic mail address shall be rebuttably presumed to have received by the addressee on the date of transmission as reflected on the sender's electronic mail records.

19.11 The Parties choose their respective physical addresses in clause 19.8 as their respective *domicilia citandi et executandi* at which all documents relating to any legal proceedings to which they are a party may be served. If that address is changed to another address which is not a physical address in the Republic of South Africa, then the original address shall remain the *domicilium citandi et executandi* of the relevant Party until it nominates a new physical address within the Republic of South Africa in writing, to be its new *domicilium citandi et executandi*.

19.12 Each Party shall be responsible for paying its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement.

19.13 Nothing in this Agreement shall be construed as creating a partnership or a contract of employment between Estina and the Department. Save as expressly provided for in this Agreement, Estina will not be, or deemed to be, an agent of the Department and Estina shall not hold itself out as having authority or power to bind the Department in anyway.

Thus done and signed at Bloemfontein on this 05 day of July 2012.



THE HEAD OF DEPARTMENT

Name: Mr Peter Thabethe



WITNESS

Name in print: SS Dlamini

SG.
PS

Thus done and signed at BLOEMFONTEIN on this 5TH day of JULY
20 12

S. Gautam

ESTINA

MANAGING DIRECTOR

Sanjeev Gautam

R. J. Sharma

WITNESS

Name in print: R. J. Sharma

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SG

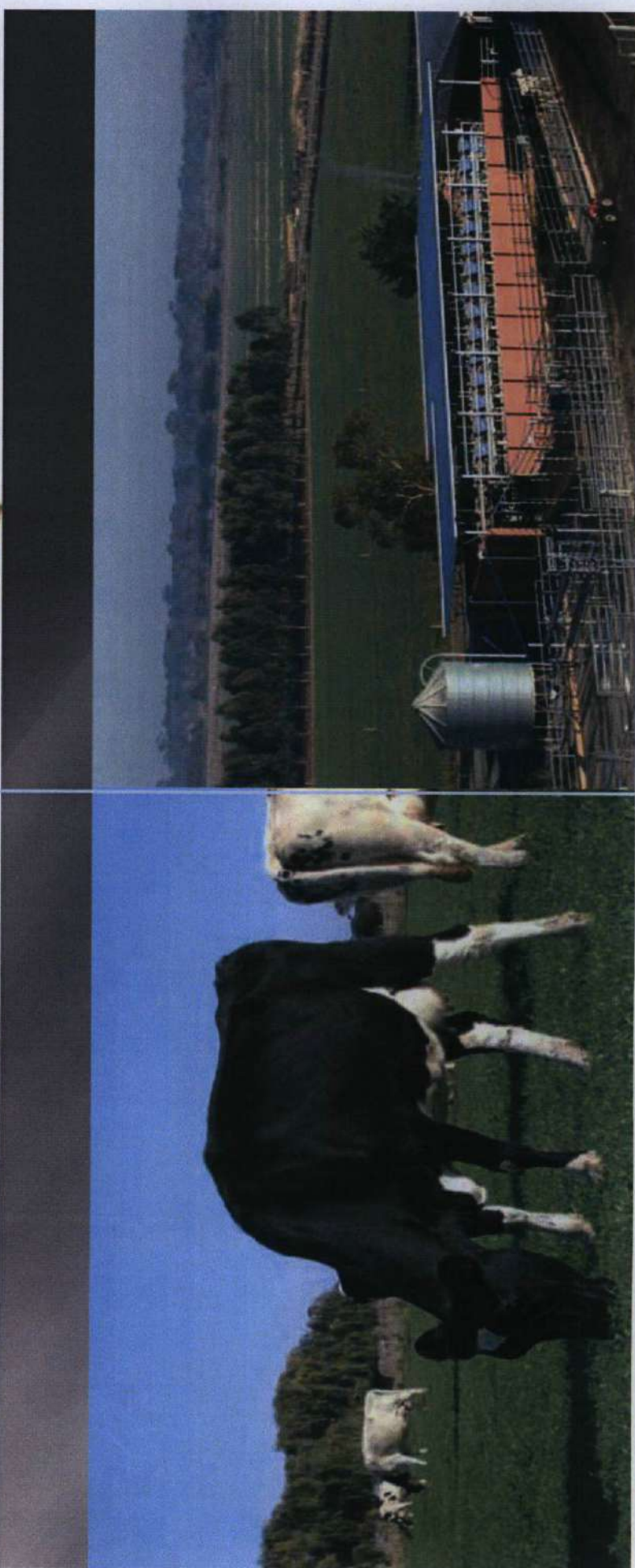
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ANNEXURE A: OBLIGATION FOR FIRST PHASE

Id	Tasks
1	Land acquisition
2	Environmental Impact Assessment
3	Feasibility study
4	Water reticulation
5	Electricity connections
6	Include identified beneficiaries in AGRIBEE entity
7	Set up of AGRIBEE entity and clarify roles of stakeholders (Department, AGRIBEE entity and Estina)
8	Draw a project plan in line with Estina Proposals which must have milestones and timelines for phase 2 as approved by Department
9	Determine the dates for capital injection by Estina



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RS



GP

Department of Agriculture Integrated Dairy Project in Vrede, Free State



agriculture & rural development
Department of
Agriculture and Rural Development
FREE STATE PROVINCE

in collaboration with



Vision Mission & Values

A170



Our Vision is to create a large scale integrated self-sustainable Dairy Project in the Free State Province to benefit black farmers

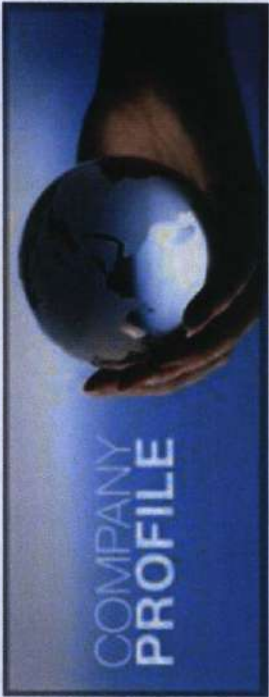
Our Mission is to build a self-sustainable business model that will:

- open up employment opportunities for black farmers at grass-root level and
- fuel economic growth in the Province

We are committed to our values of Trust, Honesty and Integrity as the core of our approach to business.



COMPANY PROFILE



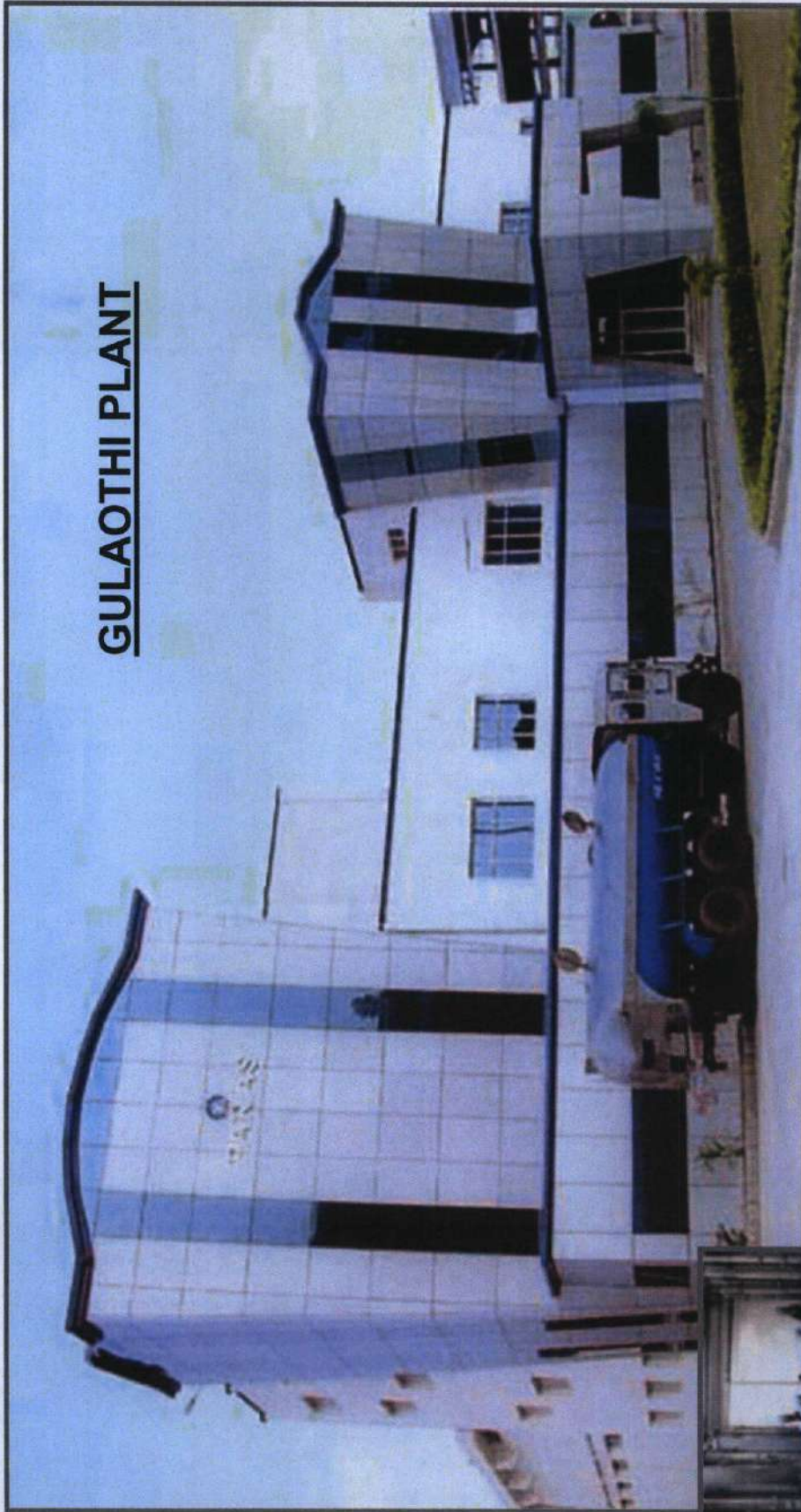
- In operation since 1960 – 51 years of experience
- One of the Leading milk processing plants in India.
- Biggest Private Milk processors in India,.
- 5 State of the Art ISO 9001-2000 and HACCP Certified Manufacturing Facilities
- Total Liquid Milk Intake of more than 720 Million Litres Per annum
- Processing capacity of 3 million Liters Per Day.
- Network Covering more then 5000 villages
- Amongst the Largest Suppliers of Liquid Polypack Milk In New Delhi with around 250,000 Litres supplied to the local market daily.
- The Only Company in North India to market Bactofuged Milk.
- Fleet of 300 Stainless Steel Insulated road milk tankers
- A strong brand equity and domestic acceptance.
- Modern Dairy Ingredients plant in collaboration with WESTFALIA SEPERATORS, A.G.GERMANY, FILTRATION ENGINEERING Inc. USA., APPLEXION FRANCE, ALFA LAVAL,
- Accredited as a 2 Star Export House by the Govt of India
- ESTINA Pty Ltd. is the local representative company which has been appointed by Paras to engage with the Department on the Vrede Project.



PLANT S - A LOOK



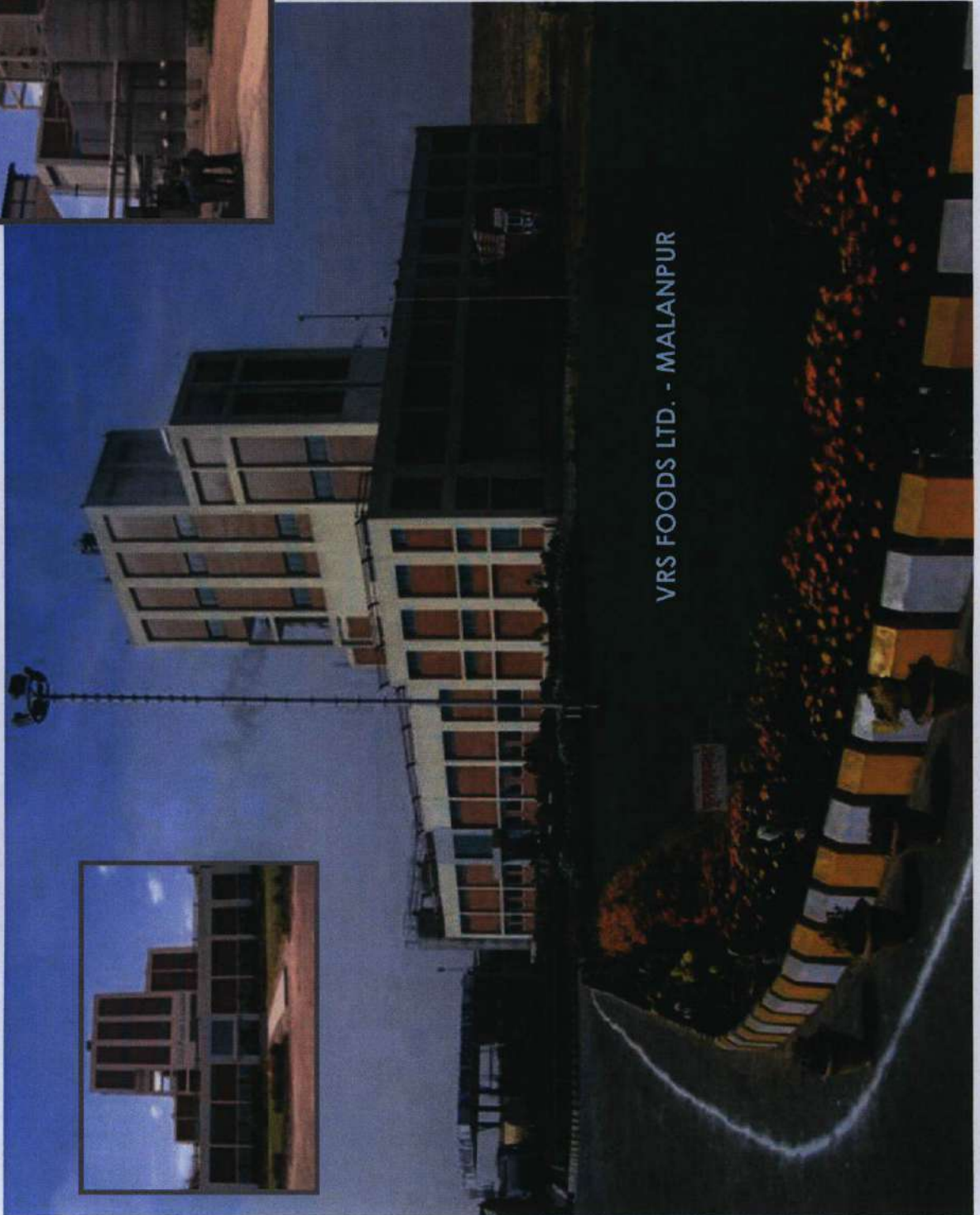
PLANT S - A LOOK



GULAOTHI PLANT



PLANT S - A LOOK



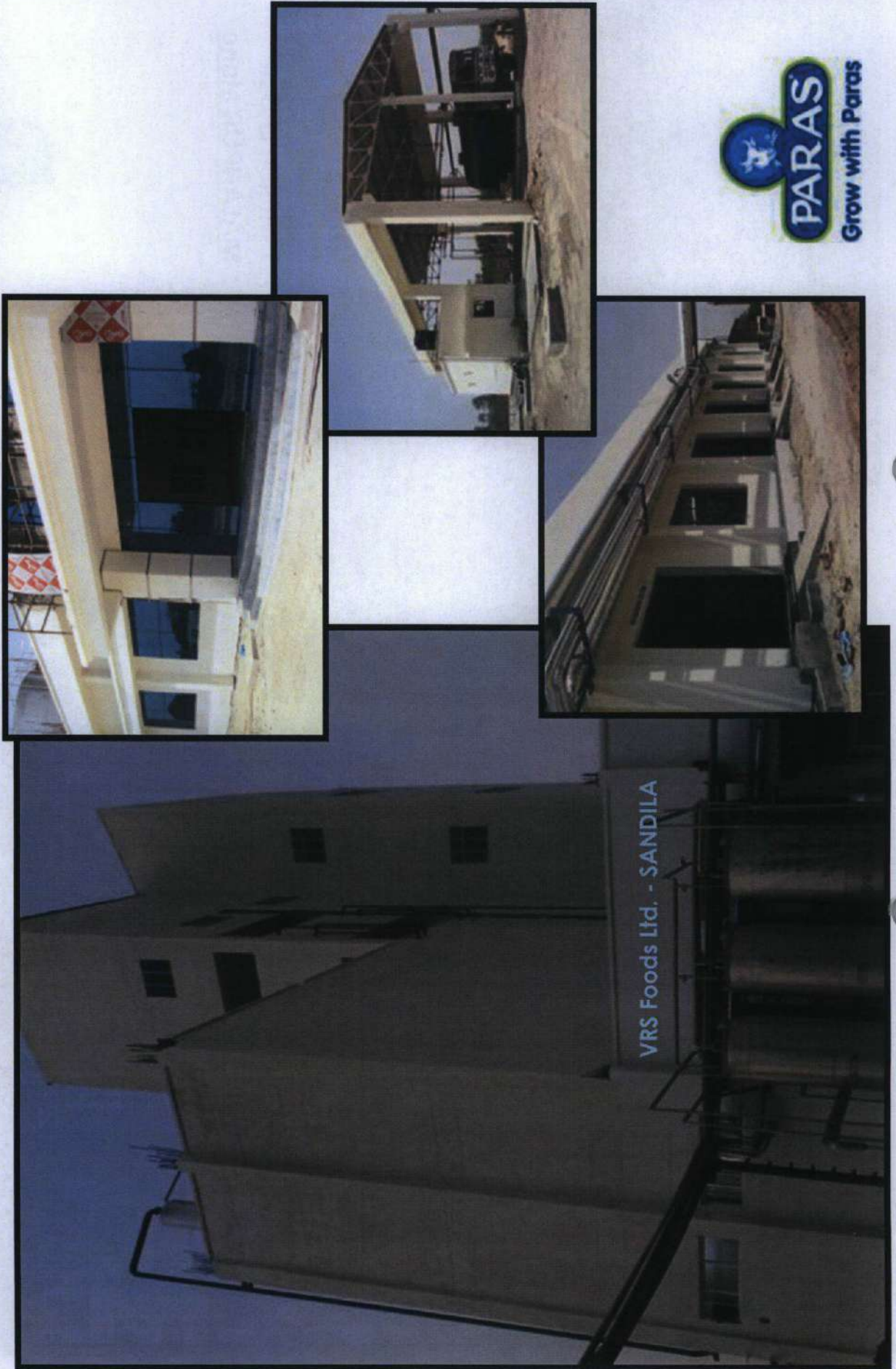
VRS FOODS LTD. - MALANPUR

Milk Handling
Capacity :

1 Million LPD at
MALANPUR alone



PLANT S - A LOOK

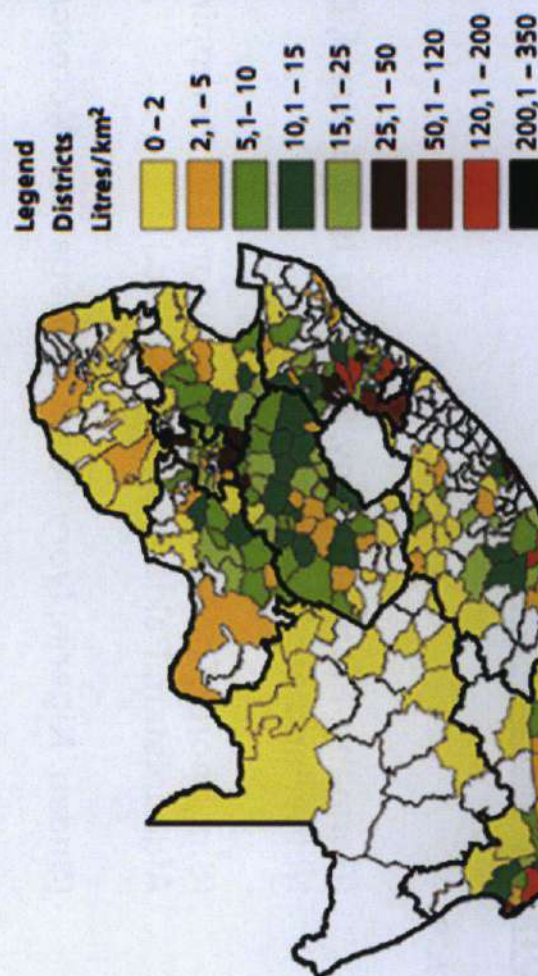


SOUTH AFRICAN MILK SCENARIO OVERVIEW



- Annual milk production shows a steady upward trend over time
- Total milk to market for 2011 was around **2.6 billion litres**
- The number of milk producers has decreased from 3,899 in 2007 to 2,627 in 2011
- Since 1997, the number of milk producers in the Free State reduced by 47%
- In 2011, **SA imported 149.4 million litres** equivalent of milk and milk products while exports stood at 43.5 million litres.
- Of a total of 2,474 milk producers in the country, 535 are based in the Free State
- There is a compelling business case for the setting up of a Dairy Project in the Free State

Figure 1: Milk production density (litres/km²) per district, 2009



INTERNATIONAL MARKETS

- ❖ North America:
- ❖ EU: (Germany, France, Turkey, Belgium, Italy, Ireland, Denmark, Poland, Netherland etc.)
- ❖ Asia: (Singapore, Thailand, S Korea, Indonesia, Philippines, Japan, Bangladesh, Afghanistan, Pakistan, Srilanka etc.)
- ❖ Africa: (Sudan, Nigeria, Ivory Coast, Madagascar, Morocco, Egypt)
- ❖ Middle East: (UAE, Saudi Arabia, Yemen, Oman, Qatar, Kuwait, Jordan, Bahrain, Syria, Lebanon)
- ❖ Oceania: (New Zealand, Australia)





VREDE DAIRY PROJECT - HIGH-LEVEL OUTLINE

• **DAIRY INFRASTRUCTURE**

- Land – identified at Vrede
- Cattle – 500 Cows in-Dairy and 500 Cows to be donated
- Infrastructure – Dairy Parlour/Feed Storage/Feed-Lots/Land cultivation for Feed

• **COMMUNITY DAIRY**

- Identify **100 members** of the Community who will receive **5 Cows** each
- **Community Milking Centres** to be setup with easy access to members
- Members will have access to **Feed, Vet Services and Training**
- Members **will be paid** for milk from the cows donated to them

• **PROCESSING PLANT**

- State of the Art **ISO 9001-2000 and HACCP Certified Facility** to be set up
- Initial Processing capacity of 100,000 litres per day
- Initial targeted milk intake of 40,000 litres per day.
- Products to include Liquid Milk, UHT Milk, Cheese and other products

• **PRODUCT MARKETING & SALES**

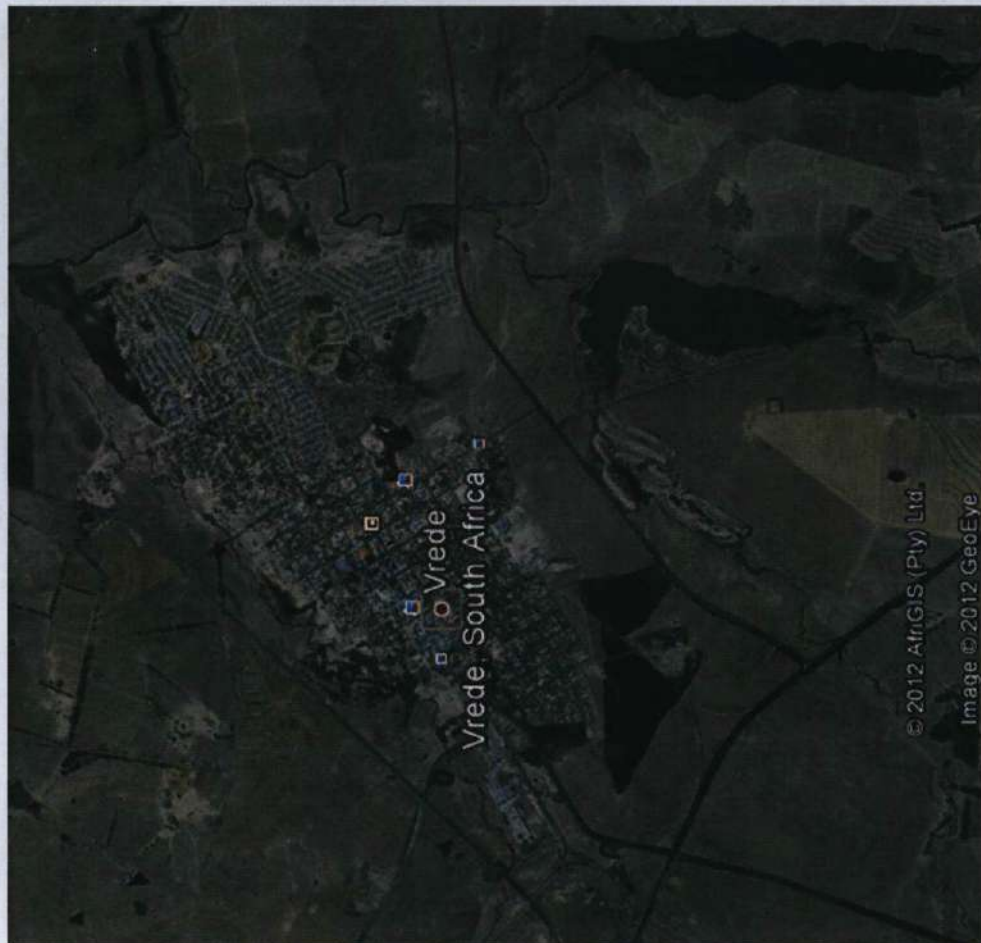
- Products will be branded "**Mohoma Mobung**"
- Aggressive marketing campaigns using celebrities and Sports icons as brand ambassadors
- Supply of Bulk Milk to Hospitals and UHT Milk to Schools







PROPOSED PLANT LOCATION



Department of Agriculture in consultation Phumelela Local Municipality have identified 4,400 Hectares of Municipal Land in Vrede as the general location where the project will be established.

The terms of transfer of Land or usage of the same have to be discussed and agreed between all stake-holders



LIST OF PRODUCTS

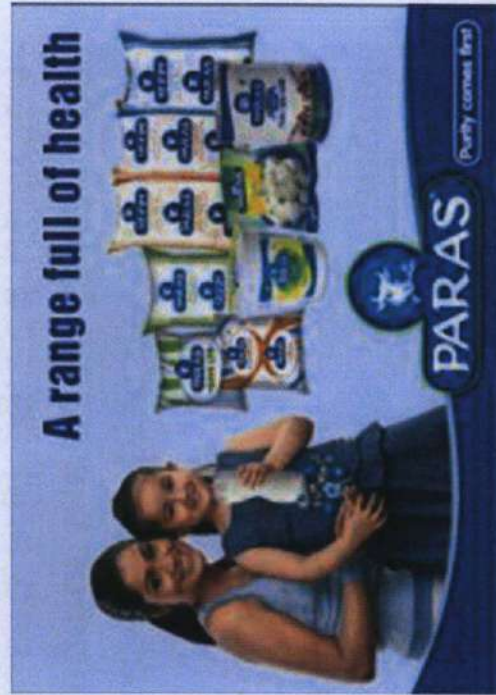
- * Skimmed Milk Powder (SMP)
- * Whole Milk Powder (WMP)
- * Casein (Acid & Rennet)
- * Caseinates (Na & Ca)
- * Demineralized Whey Powders (DM 70 & DM 90)
- * Whey Protein Concentrate (WPC 34 & WPC 35)
- * Ghee
- * Milk Protein Concentrate
- * Dairy Whitener
- * Lactose
- * UHT Milk
- * Butter



Purity comes first

www.parasdairy.com

PRODUCT PROFILE





MANAGEMENT & FINANCIAL MODEL – HIGH LEVEL

• **MANAGEMENT**

- The shareholding Company will be structured according to the Agri-BEE norms stipulated by Government
- Estina/Paras will be responsible for Project implementation
- Estina/Paras will also be responsible for the operational management of the Project during its life cycle

• **DEPLOYMENT MODEL**

- It is envisaged that the Project will be split into two phases
- Phase 1 will involve the deployment of the Dairy & Community Dairy Projects and is expected to be complete within 1 year of commencement
- Phase 2 will involve the deployment of the Processing Plant and is expected to be complete within 2 years of commencement



• **FINANCIAL MODEL**

- The total cost of the Project is estimated at R500 million
- The initial investment for the establishment of the Dairy will be through Government funding
- The investment for the establishment of the Processing plant will be funded by Estina/Paras
- Government is requested to commit financially on the operations of the Dairy over a period of five years.
- Detailed Business Plan being prepared and will be submitted to the Department



PD

THE SEAL OF QUALITY

- An established **ISO 9001** and **HACCP** certified system
- **Kosher** certified
- **Export Inspection Council** Certified
- An **APEDA** (Agri Products Export Development Authority) Member
- **Halal** certified (Malanpur Plant)
- BIS, **ISI**, **AGMARK** Mark
- **FSSAI** (Food Safety And Standard Act)
- **US FDA** (For Some of the products)



Planned Diversity of Feeding Systems in Vrede



Grazed pasture & purchased feeds

**100% grazed pasture
& conserved fodder**



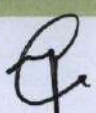
Feed lots



FIXED & WORKING CAPITAL	UNITS	BUDGET VALUE
Irrigation & mechanisation	1,000 ha	R45,000,000
Rain fed mechanisation	1,350 ha @ R20,000	R32,000,000
Dairy cattle – “Cows in Milk” (CIM)	500 ea @ R25,000	R12,500,000
Dairy cattle – Rest of herd (Followers)	500 ea @ R25,000	R12,500,000
Dairy bulls / A.I		R500,000
Milking parlour – 1,000 CIM unit	1,000 ea @ R5,000	R5,000,000
Bulk cooling tanks		R25,500,000
Dairy products manufacturing		R60,000,000
Pasteurizer		R60,000,000
UHT Long Life Milk PLant		R149,000,000
Other dairy equipment		R15,000,000
Feedlot		R14,000,000
Grain & oilseed mill		R19,000,000
Animal feed plant		R10,000,000
IP/Working Capital Requirement		R40,000,000
Total Funding Required	Excluding VAT	R500,000,000
Total Funding Required	Including VAT	R570,000,000
Proposed Source of funding:		
Capital Injection/IP/Equipment etc	ESTINA / PARAS	R228,000,000
Grants of R114m/yr for 3 Years	DoARD	R342,000,000

ADDITIONAL FUNDING REQUIRED CURRENT FINANCIAL YEAR

Total Funding Required	Source	R114,000,000
Current F/Y Capital Injection	DARD	R30,000,000
Requested funding	DAFF	R84,000,000



RECOMMENDATIONS

It is recommended that the DAFF Management;

1. Considers and approves the implementation of the proposed Integrated Vrede Dairy agri-business Project.
2. Supports the sourcing of additional funding of R84 million for this current FY.
3. Participates both technically and financially for the duration of the project (3 years)



agriculture & rural development
Department of
Agriculture and Rural Development
FREE STATE PROVINCE



THANK YOU !!!

A188

EP



agriculture & rural development
Department of
Agriculture and Rural Development
FREE STATE PROVINCE

Special Economic Zone (SEZ) opportunities

Harrismith Logistics Hub

Developing the Tshiamo Food Processing Park:
Potato Chip, Cereal and Fresh Produce Hub Development:



CONFIDENTIAL



agriculture & rural development
Department of
Agriculture and Rural Development
FREE STATE PROVINCE

Presentation Framework

The Tshame Food Processing Journey

- ▣ Introduction to the Harrismith / Tshame Development
- ▣ The Design
- ▣ Food Processing Development Progress
- ▣ DOWMONT Chips and Cereal Plant Development
- ▣ Fresh Produce Development
- ▣ Financial Implications
- ▣ The Way Forward



Introduction to the Harrismith Development

Initial and subsequent imperatives

Initial Development

- Feasibility study and business planning into development of Industrial, then Tshame
- Food processing as part of agro-processing development
 - Leveraging off agriculture production in the region
 - Utilisation of food processing supply chain opportunities
- Infrastructure de-generation
- Sourcing of key industry leaders as strategic partners
- Full Development to be known as the Tshame Development

The Premier's SOPA:

- Gradual decline in population growth, growth expectations for the Free State Economy
- Funding formula with National Treasury, self-sustainability model for economic growth
- Harrismith Logistics Hub Project (Durban – Free State – Gauteng logistics corridor)
- Design, building and maintenance of transport system and roads
- Food security for all

Opportunities presented by the Special Economic Zone (SEZ) opportunities

- Macro Planning (Short, Medium & Long Term) Opportunities: Multi-phased Development
- Set-up to develop industry, the area and communities beyond IDZ approach
- Support for New Growth Path
- Improved governance arrangements
- Provide financing arrangements



Introduction to the Harrismith Development Food Processing Target Sectors

Top
Priority

 Automotive - 1st-tier Suppliers - 2nd-tier Suppliers - Related industries - Warehousing - Farming implements	 Agro-Processing - Bio-fuels - Forestry & Wood - Dairy Products - Meats, Vegetables - Wool, hides - Hive developments - Animal Feeds, hay	 Pharmaceuticals - Generics - Cosmetics - Natural Remedies - Medicinal plants (herbs)	 ICT & Broadband - Connectivity - Call Centers - Software engineering - Programming - Computer & cell phone - Data Centre
 Food-Processing - Fruit Concentrates - Meat Processing - Packaging - Potatoes - Apples - Soybeans	 Logistics - Logistic Service Providers - Warehousing facilities - Distribution Centers	 Aqua-Culture - Fish Farming - Fish processing - Recreational (dam) - Staple food	 General Processing - Light industries - Plastic Conversion - Assembly / fabrication - Electrical / electronics - Appliances - Garments, textiles

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Introduction to the Harrismith Development Master Plan Design Process

- ▣ Discussions with FDC's CEO on 26 April & 25 May 2012:
 - Take multi-year phased approach for Development
 - ▣ Develop a master plan for consideration
 - Prepare Guideline Specifications for Development
 - Engage with MaP for status of surveys and assessments
 - Engage with DAFF for planning and funding
 - ▣ The Professional Team proposed a 6 stage process:
 - Stages:
 - ▣ Stage 1: Inception (5%)
 - ▣ Stage 2: Concept and Viability (15%)
 - ▣ Stage 3: Concept development (20%)
 - ▣ Stage 4.1: Documentation for Local Authority Submission (20%)
 - ▣ Stage 4.2: Working Drawings (10%)
 - ▣ Stage 5: Construction: Contract Administration (27%)
 - ▣ Stage 6: Close out (3%)
- With provisional bill of quantities there is risk of under-estimating cost
 - More accurate way is to complete up to Stage 4.2 then to tender
 - Time is required to co-ordinate with local authorities and funders

Introduction to the Harrismith Development

The Latest Conceptual Area Footprint



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GP

Introduction to the Harrismith Development

Urban Design Footprint

□ The urban design development framework of Tshiame was divided into precincts:

- Gateway precinct
- Boulevard precinct
- Agro processing precinct
- Vehicle and general industry precinct
- Mixed use precinct
- Training and incubation centre precinct
- Housing precinct

□ Within each of these precincts the basis of the design and layout was to create a people friendly environment and this was achieved by adding indigenous trees and plants as well as by creating pedestrian friendly walkways



Introduction to the Harrismith Development Food Processing Industry Precinct

- ▣ This precinct will house the Food Processing Industrial Park together with logistics service providers and general industries
- ▣ Within this precinct the focus will be:
 - the processing of foods
 - a fresh produce market where the community can sell their goods
 - a research and development in the field of agricultural
 - a fresh produce hub and depot.
- ▣ Here there will be added focus on sustainable energy, recycling and purification of water used within the agro processing industries



- ▣ A methane plant is introduced that can run on the organic materials that will be available within the precinct and the park
- ▣ A water filtration plant will for the starting point of a wetland that will be introduced on the lowest point of the precinct, which will form a focal point as well as attract local wild life and birds.



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Introduction to the Harrismith Development

Food Processing Industry Precinct

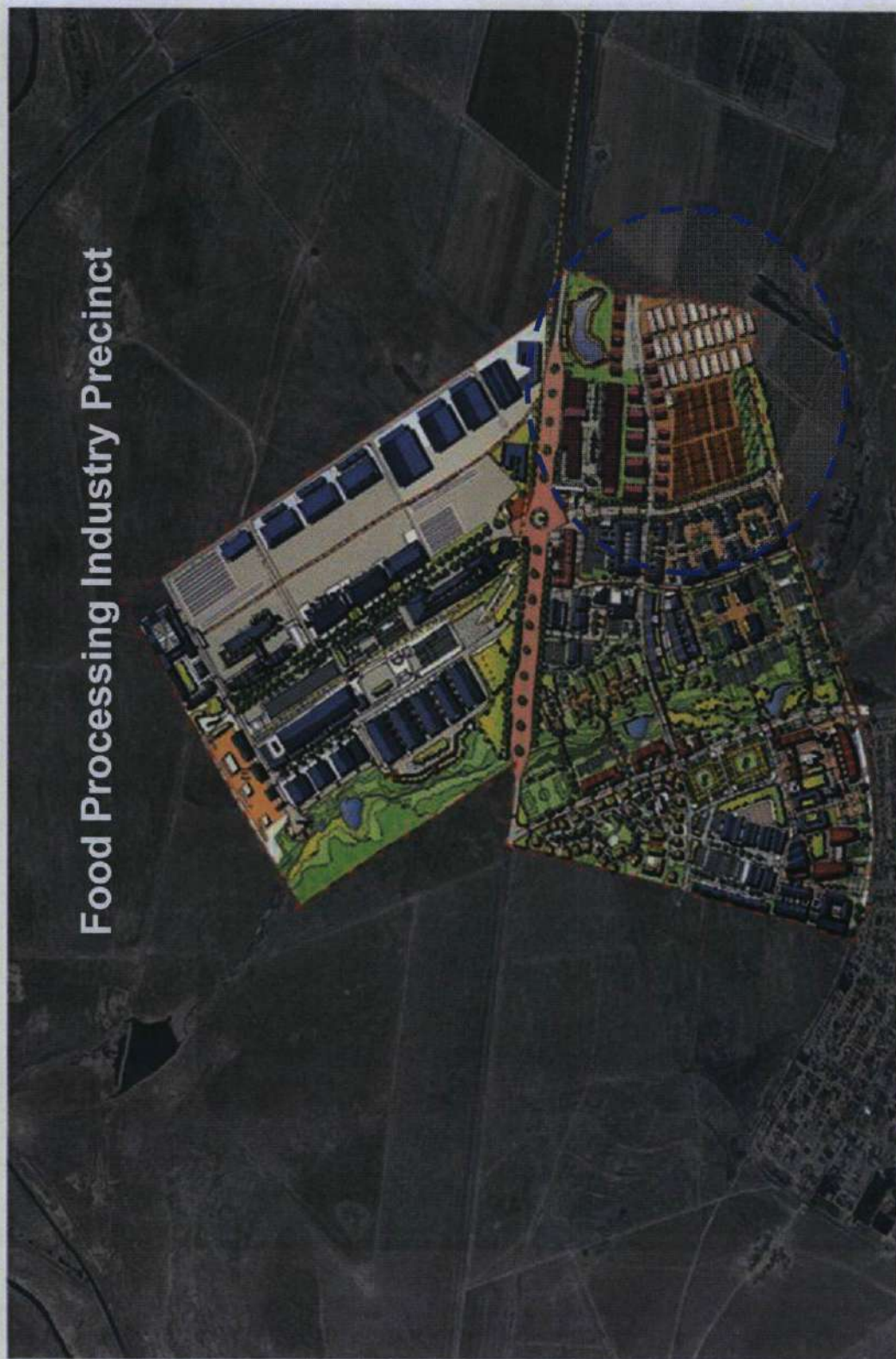
INDUSTRIQWA MASTERPLAN

LEGEND

- EXISTING BUILDINGS
- INDUSTRIAL
- RESIDENTIAL
- COMMERCIAL & RECREATION
- AGRICULTURE, TRAINING & DEVELOPMENT
- AGRI BUSINESS & PROCESSING
- AGRI RESEARCH CULTIVATION
- AGRI RESEARCH GREENHOUSES
- GREEN OPEN SPACE
- NEW TREES
- EXISTING DAIL
- NEW DAIL
- STUDY AREA
- ZERO LANDFILL SITE



MASTERPLAN LAYOUT



Food Processing Industry Precinct



Completed Process

Food Processing Progress

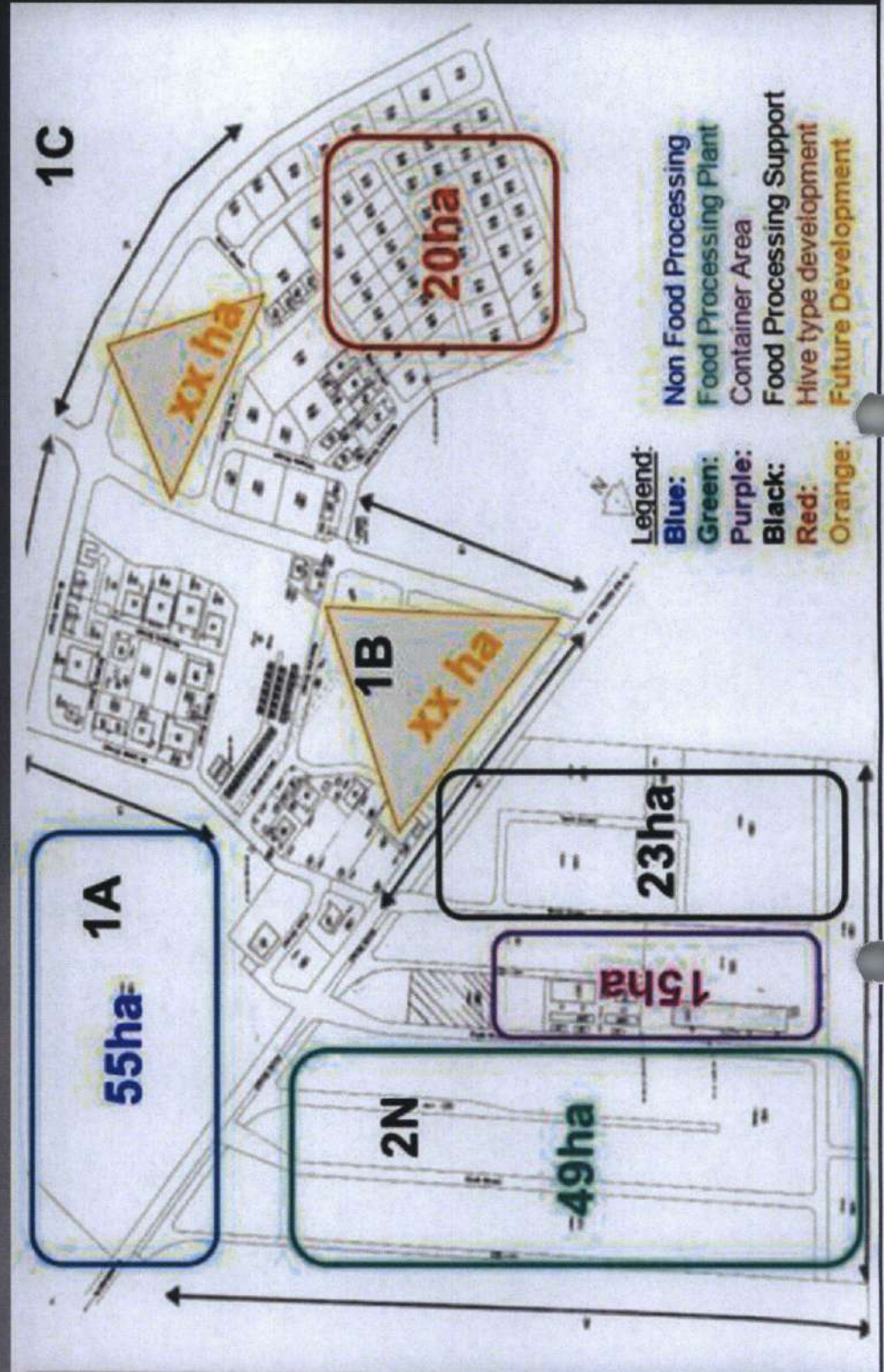
- ▣ Food Processing high-level Business Case **partly completed / in hand**
 - Workstream 1 activities in hand: A Food Processing Producer's View
 - ▣ Urban design and pre-conceptual design of infrastructure & facilities
 - ▣ Town Planning, Surveys(land & geo-technical)+assessments(Environmental & Traffic Impact)
 - ▣ Architectural and Engineering Design
 - Workstream 2 activities to be planned with FDC
- ▣ Engagements with Dowmont – **in hand**
 - Letters of interest, intent / commitment
 - Signed agreements
 - ▣ FDC-Producer lease agreement,
 - ▣ Producer- Supplier feedstock and Producer- Client off-take agreements
 - ▣ FDC-Producer-Service Provider service level agreements
- ▣ Engagements with McCains– **in hand**
 - Letters of interest, intent / commitment
 - Signed agreements
 - ▣ FDC-Producer lease agreement,
 - ▣ Producer- Supplier feedstock agreements and Producer- Client off-take agreements
 - ▣ FDC-Producer-Service Provider service level agreements



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Completed Process Initial Industrial Site Layout Options

- ▣ **Four possible areas (and a container depot area)** within the current Industriqwa Park area were at first considered for the Industriqwa development
 - Areas in the triangle for Food Processing Plant support facilities
 - Other areas for development of other facilities for multiple industries



Completed Process Conceptual Area Footprint

- The first option Tshame Food Processing Area



EP

Completed Process Food Processing Solutions Considered

- Benchmarked parameters for the Food Processing Development:

- **High level functional design requirements**

- Design of a Potato Chip / Crisps Plant
 - Design of a Cereals' Plant
 - Design of a Fresh Produce Hub
 - Area was to include office and processing facilities, loading and off-loading facilities (road and rail) and a packaging area
 - Preparations were to be made for waste disposal, water recycling and other support services

- **Challenges**

- The most critical challenges that face the development team was considered to be time and budget considerations

- Fresh Produce is harvested around Tshame, transported to other provinces and sold back into the area

- Value-added agro-processing activities were to be introduced at Tshame
 - A beneficiation process is to be provided designed for all processes related to storage, conversion, pre-delivery activities and distribution of local and export units



Completed Process

Interested Parties as Strategic Partners

- ▣ A number of respondents indicated interest:
 - Dowmont Snacks (Pty) Ltd
 - Nature's Choice (Nature's Garden and Growers)
 - Pepsi Co – Simba
 - McCain's Food SA (Pty) Ltd
 - AVI Ltd – National Brands (Willards)
 - Frimax Foods
 - SPP – Sustainable Protein Product
- ▣ Major agro-processing focus area to achieve successful development:
 - Immediate intent was shown by Dowmont Snacks (Pty) Ltd
 - DETEA/FDC invested in the execution of a detail bankable study with Dowmont
 - DETEA/FDC investigating possibility of further involvement with other interested parties
 - DETEA/FDC sourced capital funding for the focus area food processing development
 - SPP – Soybean processing factory is built in Bethlehem

Current Process in Hand

McCains as Strategic Partner: Fresh Produce

- ▣ Discussions were had with McCains regarding proposed Fresh Produce Hub which led to the following:
 - More discussions to take place between representatives of the Free State Government and McCains
 - Re-engaging with McCains regarding the requirements for purchase contracting for delivery of potatoes
 - Confirmation of the potential off-take requirement of fresh produce hub output indicated an initial tonnage in excess of 100 000 tons per annum, lately reduced to ca 600 000 tons per annum
 - The Tshiame share of the mentioned output needs to be negotiated
 - The programme for engaging with farmers in the area for the supply of produce input is being attended to and would be finalized once the Department of Agriculture would identify suitable farmers with BEE transformation possibilities
- ▣ Discussions are required with co-operative bodies, smaller farmers and established farmers to support the proposed Fresh Produce Hub:
 - Confirmed and guaranteed supply of fresh produce via decentralised collection and distribution points
 - Confirmed and agreed off-take of produced frozen and fresh produce

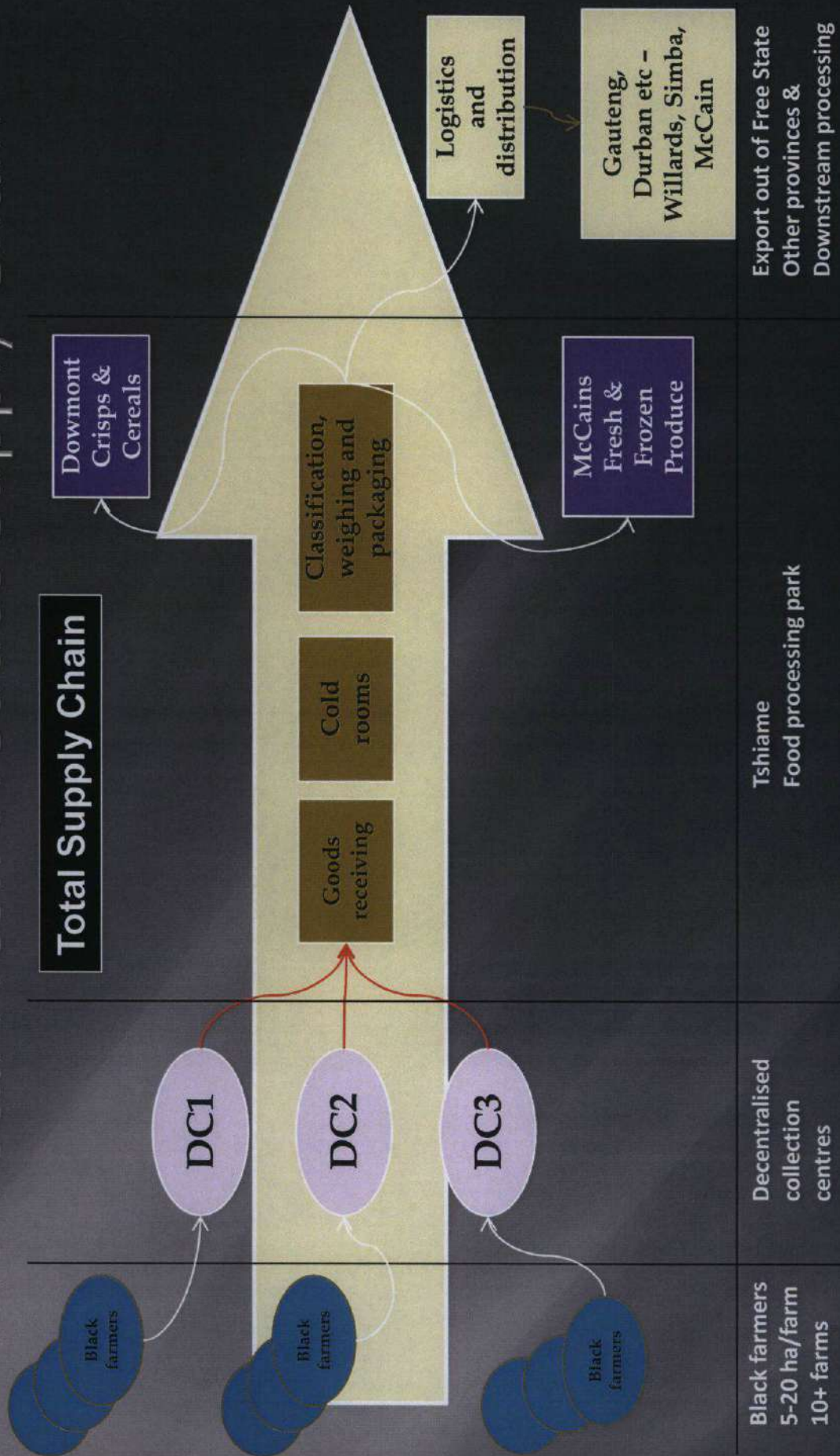
Completed Process

Development of identified opportunities

- ▣ Infrastructure Re-generation
- ▣ Potato Chips Processing Plant
 - Downmont Snacks (Pty) Ltd as first-mover party showed intent
 - Immediate opportunity - potato chips production line , extended to cereals
 - ▣ Receive feedstock from decentralised distribution centres and farmers
- ▣ Cereal Processing Plant
 - Downmont Snacks (Pty) Ltd as first-mover party showed intent
 - Short to medium term opportunity
 - ▣ Receive feedstock from decentralised distribution centres and farmers
- ▣ Fresh Produce Hub
 - Confirm with McCains as party showed intent and other parties
 - Medium to longer term opportunity
 - ▣ Involvement across food processing value chain
 - ▣ Provide feedstock to potato processing and cereal processing plants
 - ▣ Producers (farmers), co-operatives, logistics and transport, processing, markets
 - ▣ Develop eight (8) decentralised distribution centres
 - ▣ Develop established and small farmers
 - ▣ Develop channels of delivery to Fresh Produce Hub and Processing facilities

Completed Process

The Total Fresh Produce Supply Chain



Completed Process:

Food Processing Categories

Initial financial need for food processing facilities excluding infrastructure re-generation capital expenditure was identified

Category	Description	Investment	Employment	
Potato farms	420 ha farmland	R26 100 000	320	Full time
	Production target is 16,000 tpa		400	Seasonal
Collection Centres	Decentralised collection centres	R 8 100 000	64	Full time
Fresh produce logistics hub	Centralised fresh produce processing	R 7 200 000	119	Full time
	Working capital	R 7 900 000		
Crisps Manufacturing	180tpa crisps production plant	R13 900 000	86	Full time
	Working capital	R11 400 000		
Cereal Plant	180 tpa production plant	R19 900 000	37	Full time
	Working Capital	R 6 300 000		
TOTAL		R100 800 000	626	Full time
			400	Seasonal

Completed Process: Tshame Value Proposition

ITEM	OFFERING
Land Available	15 – 30 Ha (additional Ha are available when required)
Land Cost	R9/m ²
Land type	Greenfield
Option 1: Lease with the option to buy of Land	Yes: 5 Year Lease with 3 years rental holiday
Option 2: Outright Purchase of Land	Yes: R9 /m ² The transfer of land will only take place once the project is on the ground.
Option 3: Lease of Land	Yes: 1% of the market value of the land per month, escalating at 10% per annum.
Rental Holiday	To be negotiated (max 3 Years)
Zoning of the land	Already zoned for industrial development
Water and electricity	Available (Incentives: negotiable with Municipality)
Electricity	1000kva available
Turnkey Developers	Should Tenant have its own, it is welcomed (FDC can facilitate this service)
EIA	No major EIA requirements
Tertiary Institutions/Skills Base	University of Free State (UFS) Central University of Technology (CUT) Motheo FET College
Labour	Stable labour force
Access Market	Access to N3, N5 and N1 highways
Services Support	Facilities, Property Management and other services will be available

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Chips Processing Plant

Dowmont Snacks (Pty) Ltd's Intent

- Dowmont Snacks (Pty) Ltd expressed an initial interest in the establishment of a potato chips production facility at Tshame:
 - Confirmed interest in letter to AIH team;
 - Received visits from DETEA and AIH;
 - Participated in feasibility study; and
 - Followed up with letter of continued interest in the further development of the business opportunity with potential BEE investment partner.
- By 25 May 2012 Dowmont Snacks (Pty) Ltd confirmed specific intent in the establishment of a potato chips and cereal plant production facility in Tshame:
 - Confirmed intent during discussions with Free State Government;
 - Received visits from DETEA and AIH;
 - Provided technical and financial information and detail for post-business planning interventions; and
 - Participated in business planning and valuation exercises



Chips Processing Plant

Dowmont: Company Background

Company background

▣ **Ownership**

- The Dowmont brand was founded in 1994 by the original owners Mark Montgomery and Hayden Dowdal
- Between 1994 and 2010 there were several changes of ownership, with the company having been sold and repurchased
- The present owners are: Mark Montgomery (20%) Steven Du Plessis (40%) and David Kelly (40%).

▣ **Core Business**

- Dowmont's core business is the manufacture and distribution of: potato chips; snacks and puffs made from extruded maize and corn chips
- The brand names registered by the company as Spuds (potato chips) Snacks; Screammers; Puffs and Wackos corn chips.



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Chips Processing Plant

Dowmont Products

Products



Chips Processing Plant

The Simpsons Plant for Crisps Production

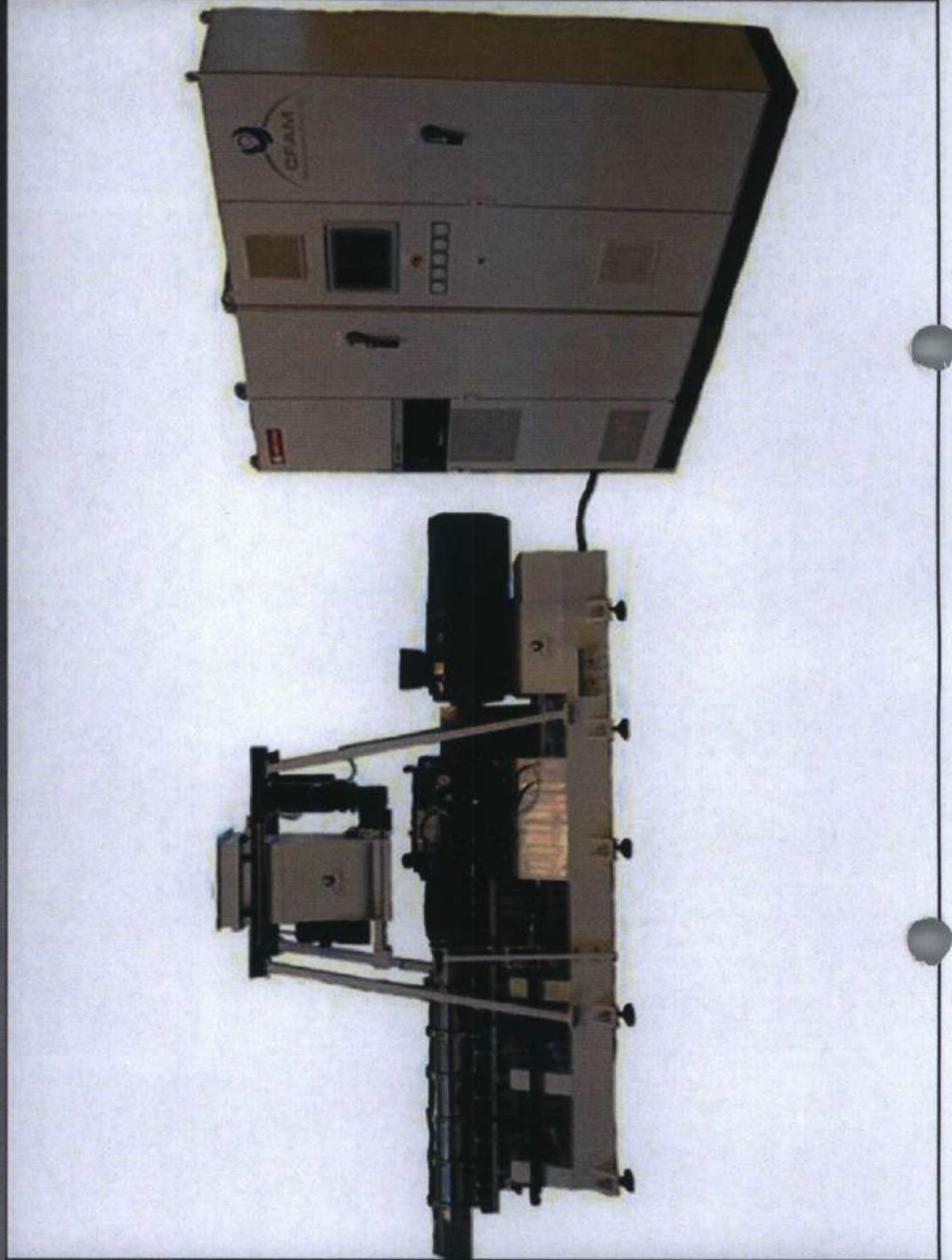
The **Simpsons Plant** layout is a typical crisps plant layout with an added fresh produce sourcing and preparation arrangement very similar to the Dowmont Crisps Plant development envisaged for Industriqwa.

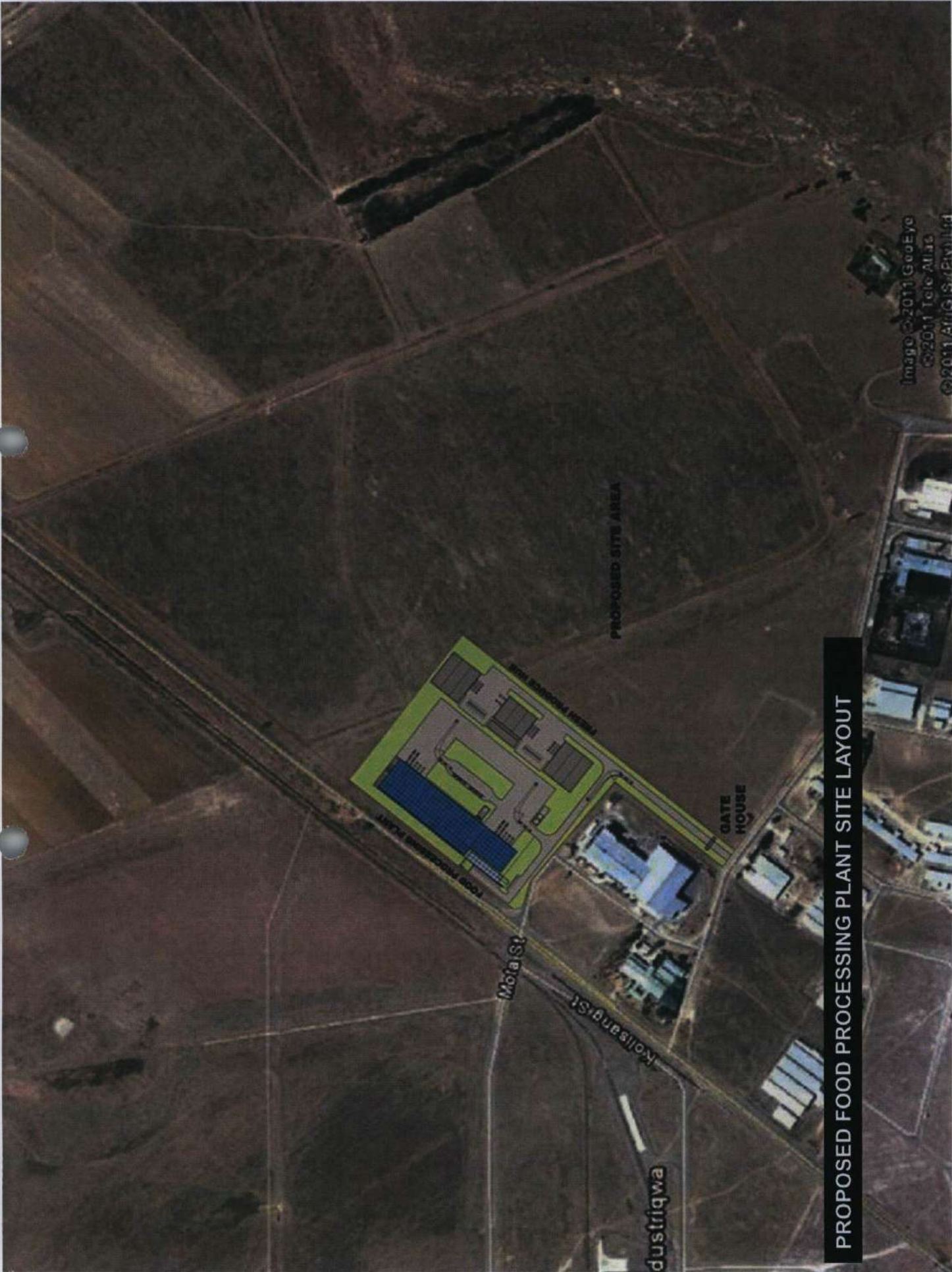


Cereal Processing Plant

Cereal Plant Technical

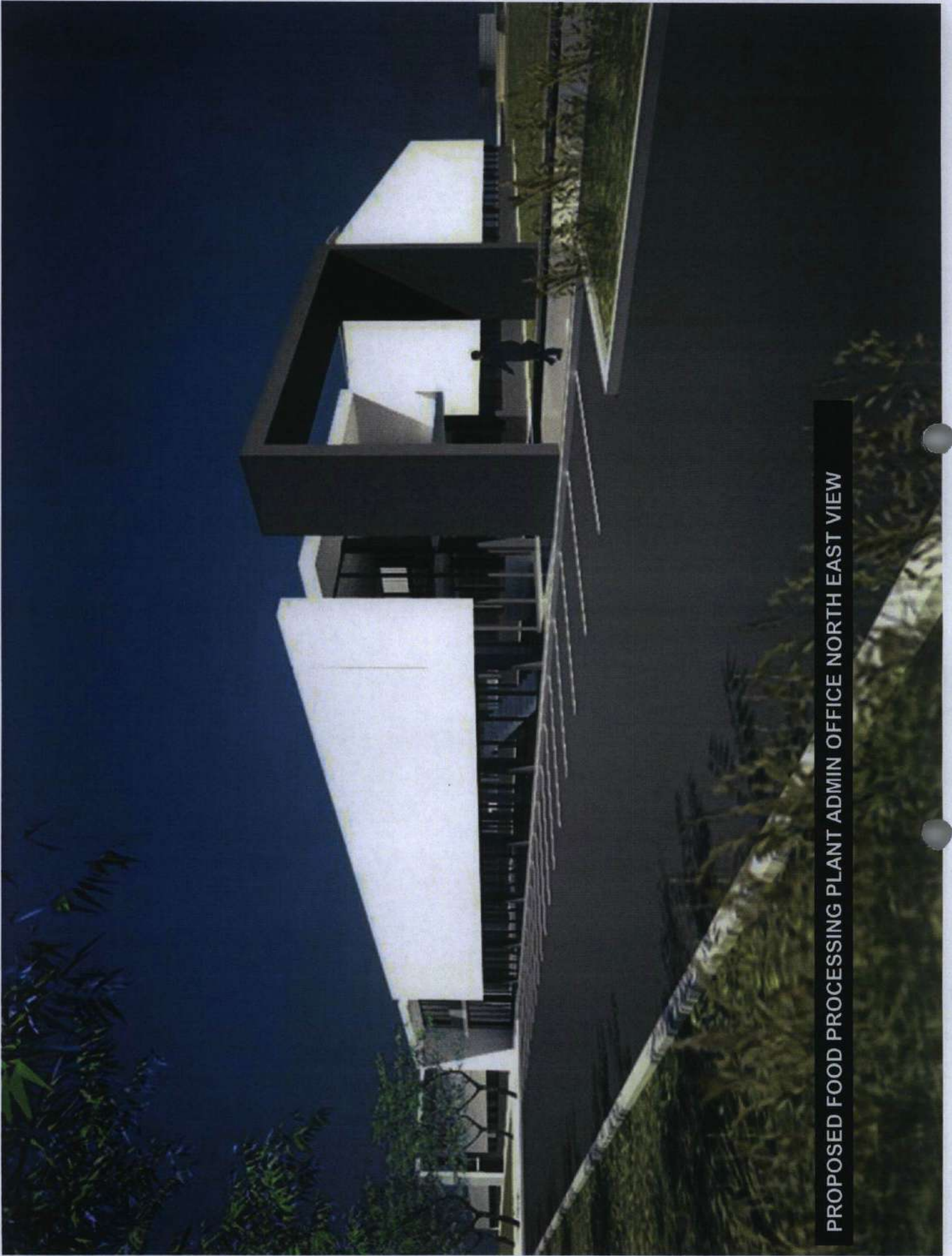
Technical



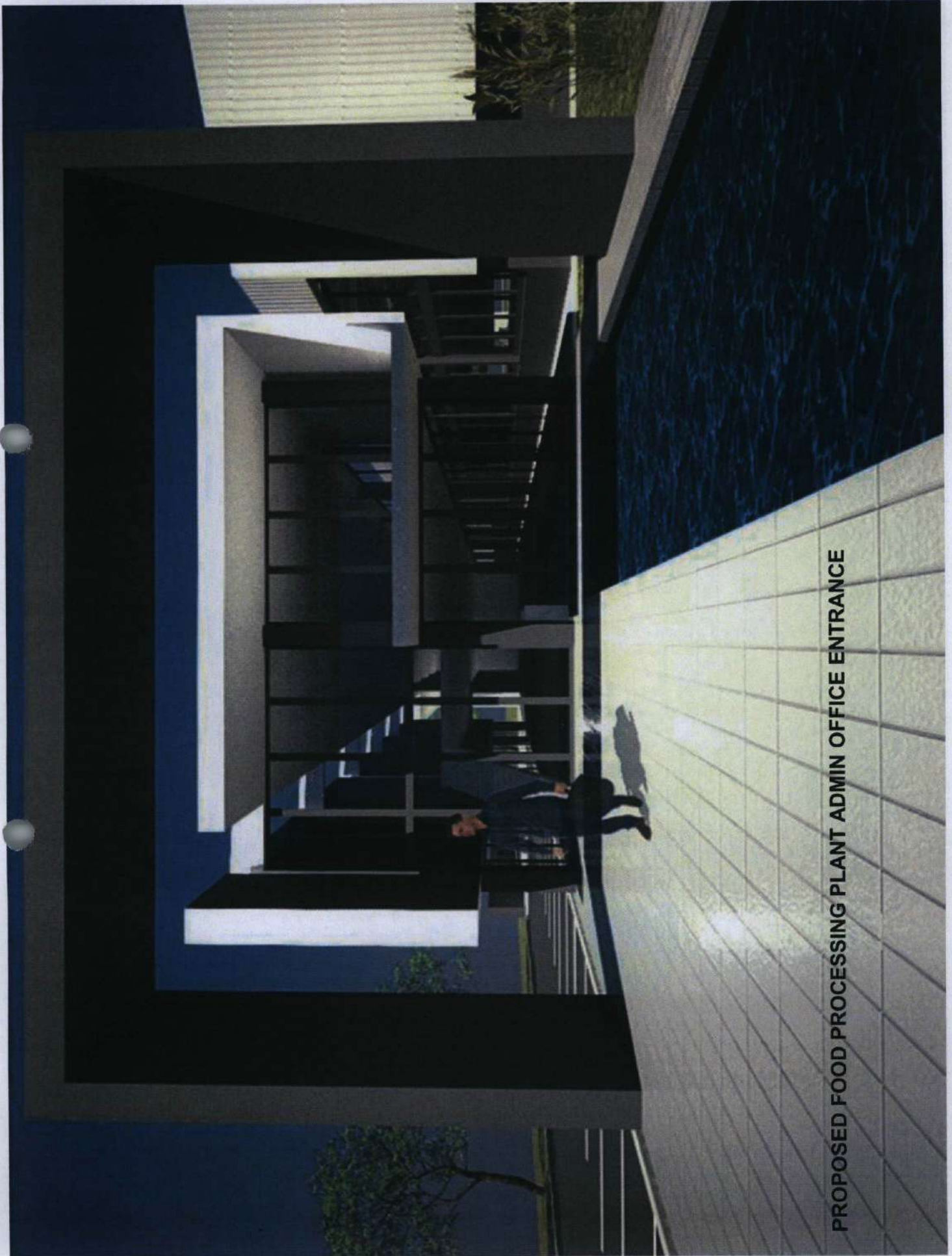


PROPOSED FOOD PROCESSING PLANT SITE LAYOUT

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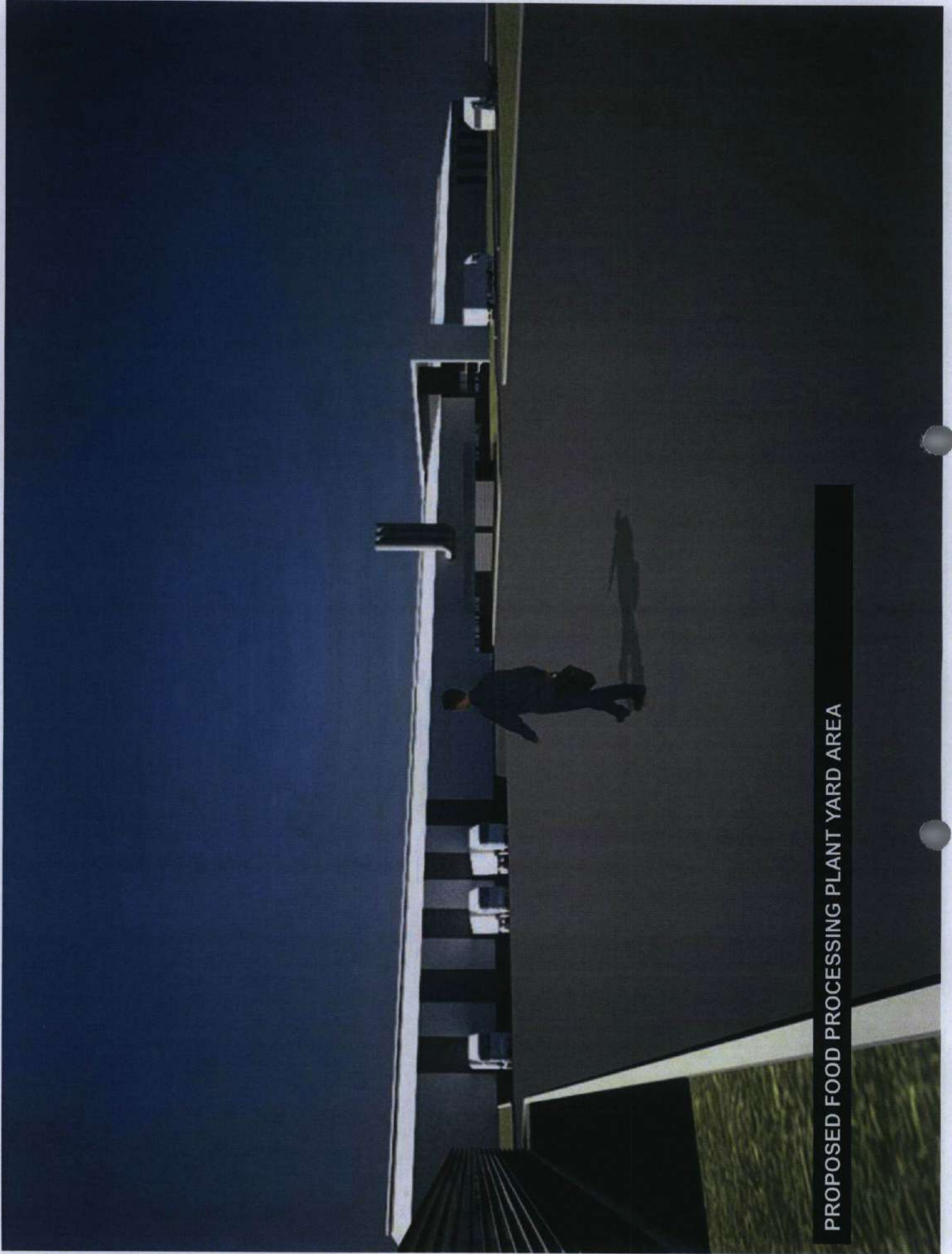
PROPOSED FOOD PROCESSING PLANT ADMIN OFFICE NORTH EAST VIEW



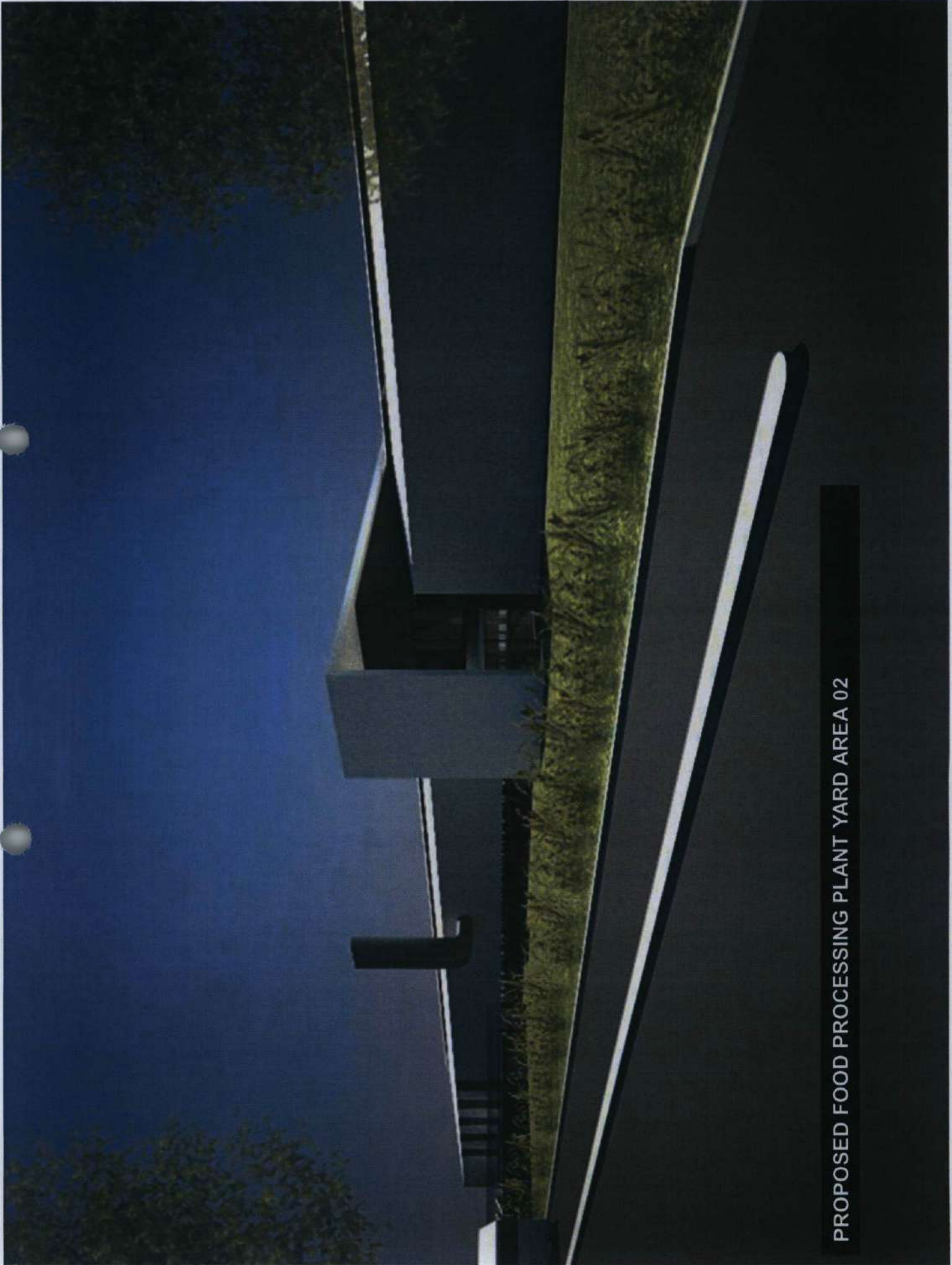
PROPOSED FOOD PROCESSING PLANT ADMIN OFFICE ENTRANCE

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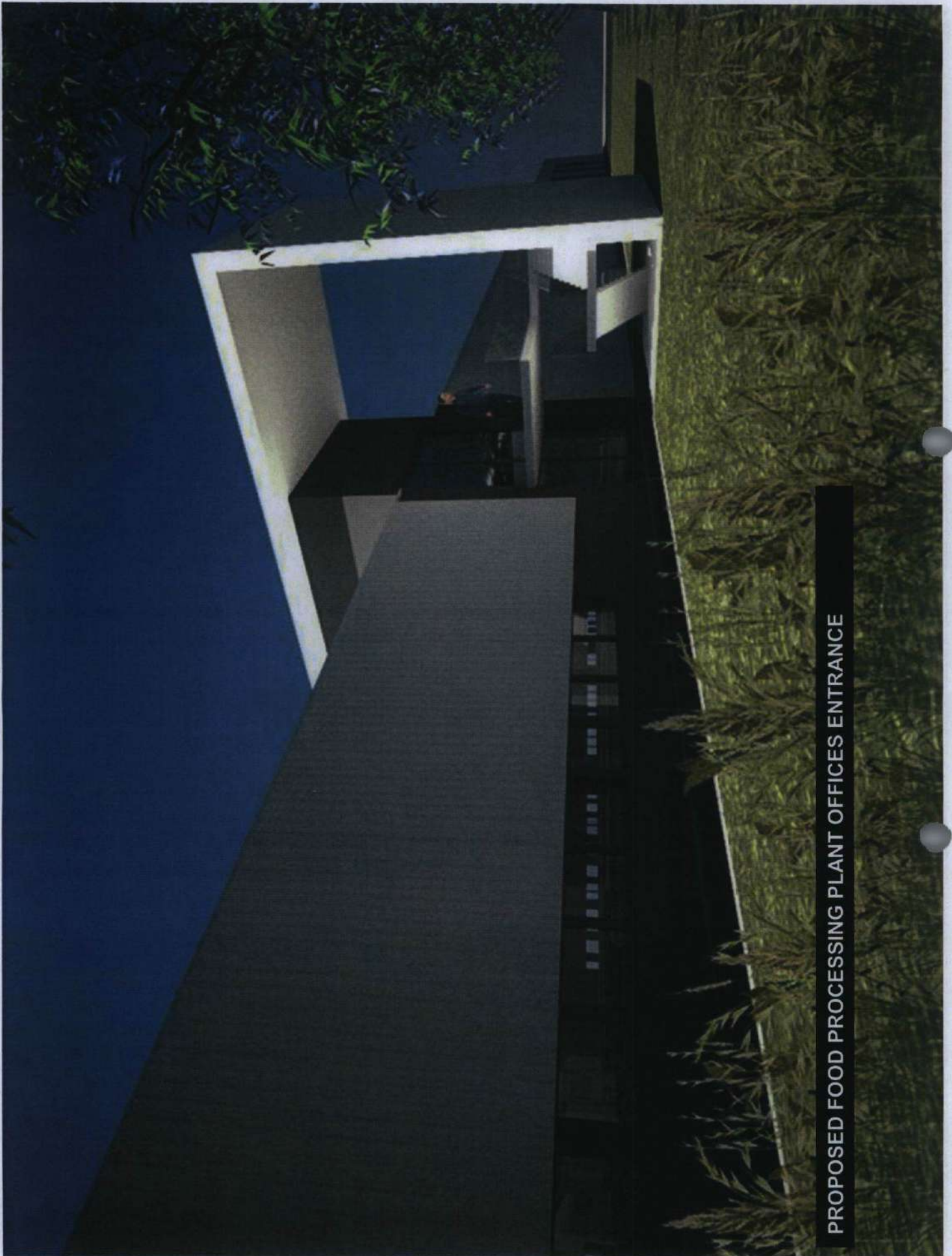
PROPOSED FOOD PROCESSING PLANT YARD AREA



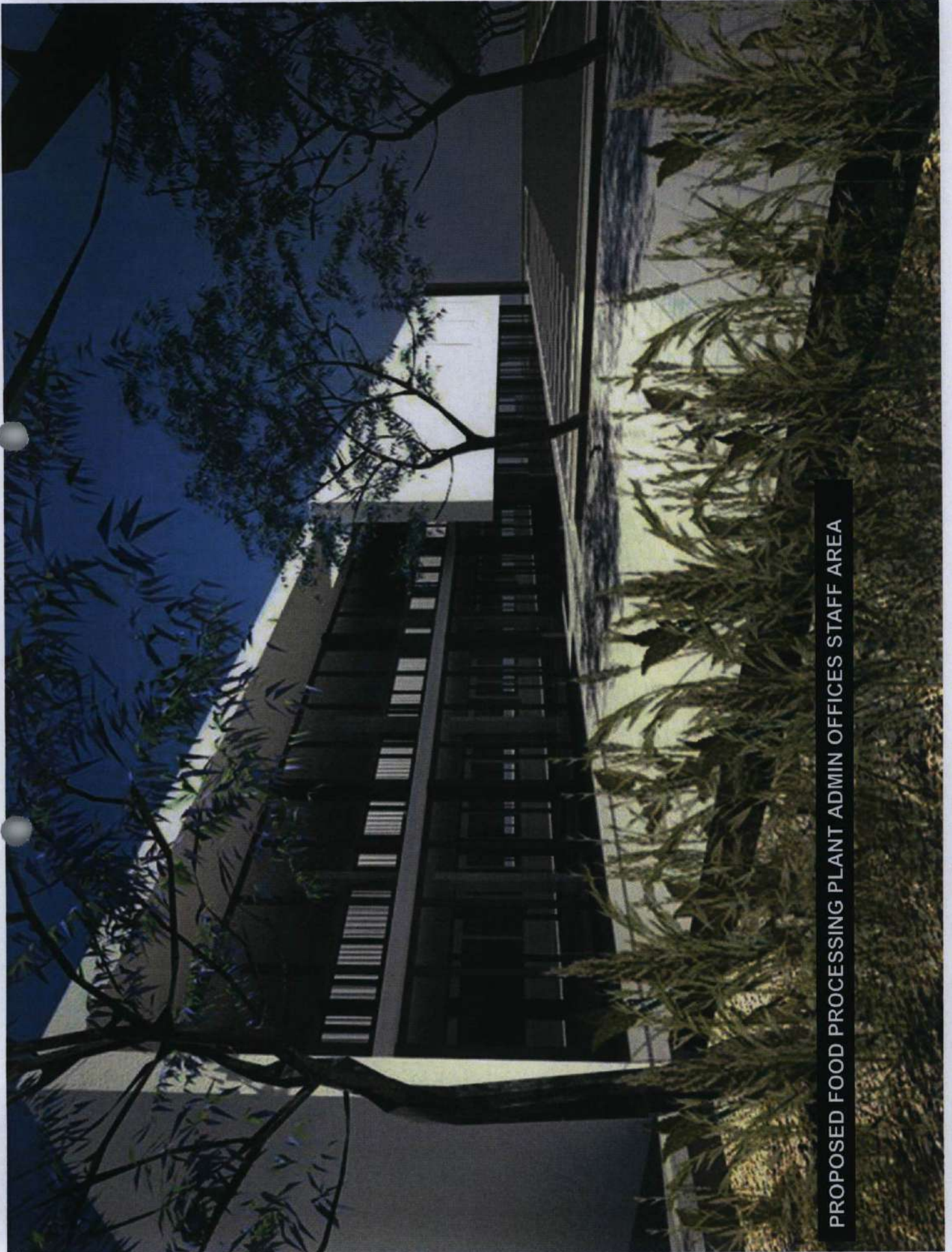
PROPOSED FOOD PROCESSING PLANT YARD AREA 02

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PROPOSED FOOD PROCESSING PLANT OFFICES ENTRANCE



PROPOSED FOOD PROCESSING PLANT ADMIN OFFICES STAFF AREA

Presentation Framework

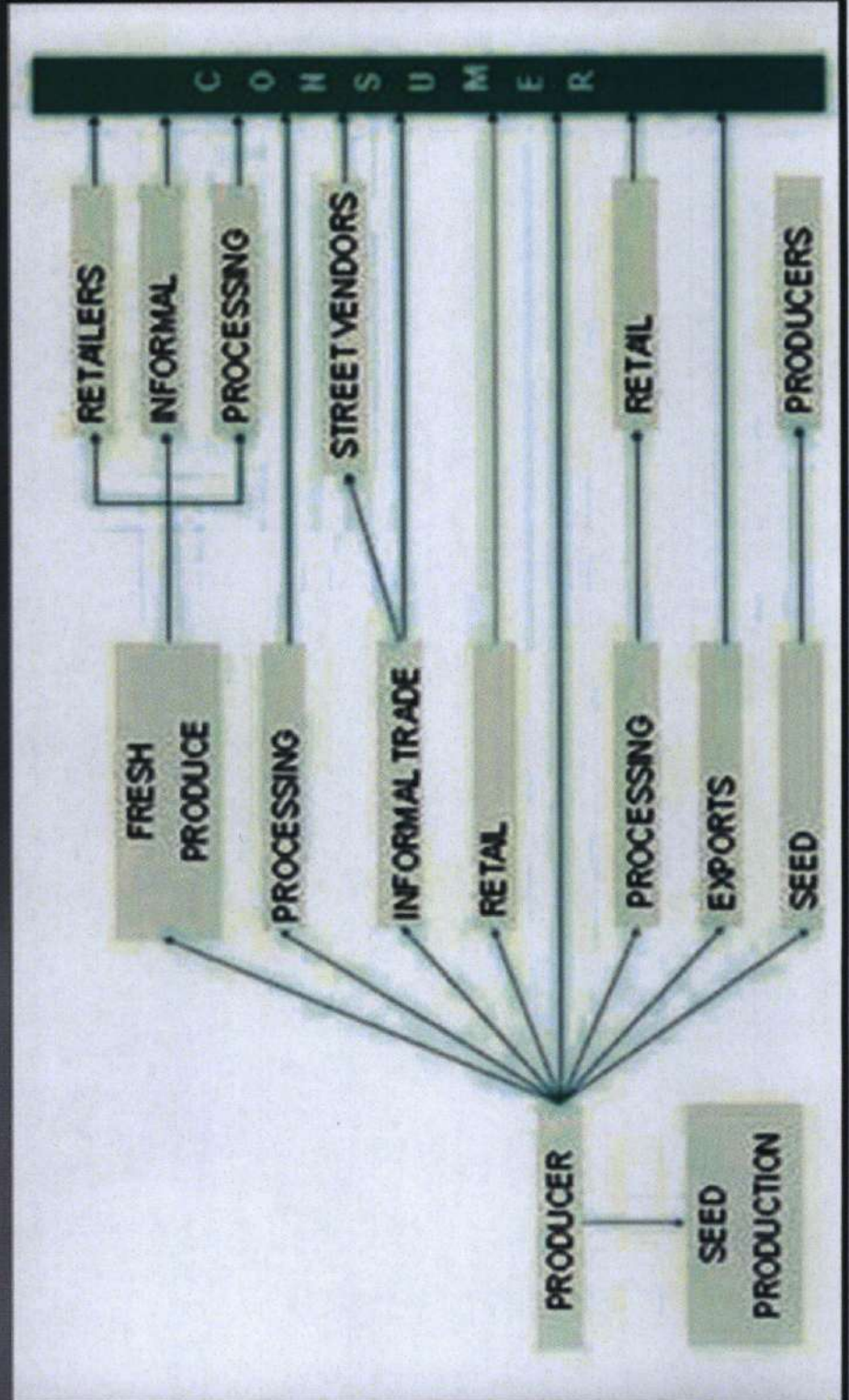
The Tshame Food Processing Journey

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Fresh Produce Value Chain Hub, Collection Centres, Farmers

- The potato value chain shows producers, processing entities, retailers and the ultimate consumer
- Notably some 19% to 20% of the produced potatoes end up in processing facilities
- Seed crops comprise ca 12% of the total production of potatoes while ca 50% ends up in the fresh produce markets



Fresh Produce Value Chain

Components of proposed business model

- ▣ Black farmers:
 - 5 to 20 ha plots / farms up to 400ha for project
 - Land reform & restitution
 - Farm Management Company
- ▣ Decentralised distribution and collection centres
 - For farmers' co-operatives
- ▣ Centralised fresh produce processing facility @ Tshiame
 - Vegetables and fruit (apples)



Fresh Produce Value Chain

FARMS - Farm Management Company



Key features of farms:

- Total number of farms required is estimated at 4000ha for first initiative.
- Investment = R28 million (estimate)
- Employment = 320 farm workers permanent = 400 seasonal workers – planting and harvesting



- Income = R38 million per annum.

Structure:

- Co-operative structure
- Farm management experts contracted to manage farms and train black farmers.
- Co-operatives also own decentralised distribution centres.



Black farmers
5-20 ha/farm
10+ farms



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Food Processing development:

Potato Plant Financials

Investment :	Rand	Build cost	Total cost
Bulk earthworks	2,652,000		2,652,000
Roads and Paving	7,315,292		7,315,292
Hard stand, plinth etc	363,000		363,000
Landscaping	880,000		880,000
Tanks & Pumps	2,400,000		2,400,000
Stormwater reticulation	600,000		600,000
Sewer and Water reticulation	720,000		720,000
Electrical reticulation = 1 x 800kVA mini sub	1,300,000		1,300,000
Perimeter Fence	391,000		391,000
Covered walkways	968,240		968,240
Total	R17,589,532		R17,589,532
Building requirements	Area m2	Build cost R/m2	Total cost Rand
Admin building	255	4986	1,271,430
Factory	6,100	3972	24,229,200
Factory Mezzanine	451	4280	1,930,280
Ablutions	230	7986	1,836,780
Canteen	172	4580	787,760
Guard House	154	1800	277,200
Gatehouse	15	9000	135,000
Total	7,377	4,130	30,467,650
Disbursements	189,000		189,000
Contingency	2,403,000		2,403,000
Projected finance charges	1,680,000		
TOTAL Other costs	R 12,581,000		R12,581,000
Total Building and Construction costs			R 60,638,182

MPT-414

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Next Steps

The Way Forward

- ▣ Further involvement of identified stakeholders
 - Value Proposition Follow - up Sessions with Dowmont
 - More stakeholder sessions - FDC, DOWMONT, McCain
- ▣ Post-Business Plan Review and Roll-out
 - Agreeing on review & roll-out stage requirements & deliverables
 - **Brainstorming Session** with Stakeholders
 - ▣ Scenarios
 - ▣ Value Proposition
 - **Motivators** for Intent in the Development
 - ▣ Proposed nature and extent of Developments;
 - ▣ Investment opportunities + funding and support
 - ▣ BEE participation in Dowmont & McCains Expansion project
 - ▣ Community and Political buy-in;
 - ▣ Opportunity to support government growth plans

The End



THANK YOU



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Department of
Agriculture and Rural Development
FREE STATE PROVINCE

Enq: Dr T.J Masiteng: GM: District Services
Tel No.: 051 861 8424/23
Date: 05/07/2012

TO: Mr. M. P. Thabethe
Head of Department: Agriculture
Private Bag X01, Glen, 9360

SUBJECT: APPROVAL TO ACCEPT THE PROPOSAL FOR THE ESTABLISHMENT
OF INTEGRATED DAIRY IN VREDE FROM ESTINA.

1. PURPOSE

The purpose is to obtain approval from the Head of Department to:

- accept the proposal from Estina/Paras with regard to the establishment of Integrated Dairy in Vrede, and
- enter into a Memorandum of Agreement with Estina/Paras to implement the integrated dairy project in Vrede
- to deviate from the normal Supply Chain Management processes and procedure and appoint Estina/Paras to implement/establish Integrated Dairy in Vrede.

2. BACKGROUND

The department has introduced "MOHOMA MOBUNG STRATEGY" as a provincial approach when implementing agricultural initiatives and "Zero Hunger" strategy. Therefore, the identified and prioritised projects have been carefully analysed and selected to contribute to the Mohoma

Mobung Strategy. In line with the value adding approach, the department has identified Thabo Mofutsanyane as a dairy hub. Vrede Integrated Dairy project was identified and accepted as multi-year mega project that will contribute to income generation, decent job creation and the creation of on and off farm agri-business, value chain enterprises.

The department in consultation with ESTINA/PARAS have identified 4,400 hectares of Municipal land in Vrede as the general location where the project can be suitably established. The Municipality have agreed to avail the land for the implementation of the project. The PARAS is the largest private milk producer in India and have the technical know-how and has agreed to work with the department.

PARAS's involvement in milk industry will improve milk productivity locally, provincially, nationally and internationally. The PARAS are already experienced and knowledgeable on International Marketing (EU: (Germany, France, Turkey, Belgium, Italy, Ireland, Denmark, Poland, Netherland etc.), Asia: (Singapore, Thailand, S Korea, Indonesia, Philippines, Japan, Bangladesh, Afghanistan, Pakistan, Srilanka etc.); Africa: (Sudan, Nigeria, Ivory Coast, Madagascar, Morocco, Egypt), Middle East: (UAE, Saudi Arabia, Yemen, Oman, Qatar, Kuwait, Jordan, Bahrain, Syria, Lebanon), Oceania: (New Zealand, Australia) which will serve as an added advantage for the project. The PARAS are internationally recognised and would like to maintain that recognition. It is against this background the department is seeking to deviate against the Normal SCM processes and procedures and enter into a Memorandum of Agreement with ESTINA/PARAS to implement and manage the operations of the project during its life cycle. The shareholding company will be structured according to the AGRIBEE norms as stipulated by the Government of the Republic of South Africa.

The total cost of the project is estimated at between R400 to R570 million (inclusive of vat). The initial investment for the establishment of the dairy will be through government funding. The investment for the establishment of the processing plant will be funded by ESTINA/PARAS. Government is committing financially on the operations of the dairy over a period of three years.

4. FINANCIAL IMPLICATIONS

The department has set aside R30 million under Mohoma Mobung in the current financial year 2012/13 for this initiative. The intended period for the completion of this initiative is over a period of three years.

5. COMMUNICATION IMPLICATIONS

All relevant role players will be informed about the outcome of this submission.

6. PARTIES CONSULTED

The Executive Management of the Department of Agriculture and Rural Development, Phumelela Local Municipality Management and the Management of ESTINA/PARAS.

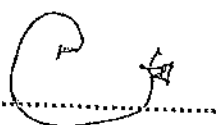
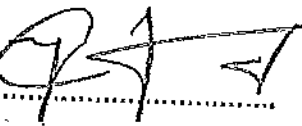
7. AUTHORITY FOR APPROVAL

The authority of approval is vested in the Head of Department: Agriculture.

8. RECOMMENDATION

It is recommended that approval is granted by the Head of Department to:

- accept the proposal from Estina/Paras with regard to the establishment of Integrated Dairy in Vrede, and
- enter into a Memorandum of Agreement with Estina/Paras to implement the Integrated dairy project in Vrede
- to deviate from the normal Supply Chain Management processes and procedure and appoint Estina/Paras to implement/establish Intergrated Dalry in Vrede.

SUBMITTED BY	RECOMMENDED/ NOT RECOMMENDED	APPROVED/ NOT APPROVED
 DR. T.J MASITENG GM: District Services	 MS. S. DHLAMINI CFO: DARD	 MR. P.M. THABETHE HoD: Agriculture

DATE: 08/04/2011
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ADDRESS: 12345 MAIN ST
CITY: ANYTOWN, IL 60001
STATE: IL
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PAGE: 10CONTACT PERSON : MRS S BOTHA
INSTALLATION DESCRIPTION: FS: AGRICULTURE
LOCATION DESCRIPTION : FS: AGRICULTURECONTACT TEL NO : 051-5061435
DISBURSEMENT NO: 000600268
ACTION DATE : 25/04/2013PAYEE NAME : ESTINA PTY LTD
PAYMENT ADDRESS: BLOCK - A, 1ST FLOOR
144 KATHERINE STREET
SANDTON,
JOHANNESBURG
2146BANK NAME : STANDARD BANK S.A
BANK BRANCH : BEDFORD GARDENS
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 310864860

SOURCE DOC NUMBER	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	USER	AMOUNT
SIA	NOT APPLIC	001300216	AF	MOLOIN7	30,000,000.00
				TOTAL	30,000,000.00

PAYMENT WAS RE-ROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 23/04/2013. DISBURSEMENT NUMBER: 600268.

**** END OF REPORT RP00789 ****

MPT-16C

MPT-426

20001
RP007ESHAS
FS: AGRICULTURE
PAYMENT STUBDATE: 29/04/2013
TIME: 13:23:33
PAGE 6CONTACT PERSON : MRS S BOTHA
INSTALLATION DESCRIPTION: FS: AGRICULTURE
LOCATION DESCRIPTION : FS: AGRICULTURECONTACT TEL NO : 051-5061435
DISBURSEMENT NO: 000600317
ACTION DATE : 03/05/2013PAYEE NAME : ESTINA PTY LTD
PAYMENT ADDRESS: BLOCK - A, 1ST FLOOR
144 KATHLEEN STREET
SANDTON,
JOHANNESBURG
2146BANK NAME : STANDARD BANK S.A
BANK BRANCH : BEDFORD GARDENS
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 310854860

SOURCE DOC NUMBER	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	CUSER	AMOUNT
SLA	NOT APPLIC	001300350	AP	MOLOINJ	19,050,000.00
				TOTAL	19,050,000.00

PAYMENT WAS RE-ROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 30/04/2013. DISBURSEMENT NUMBER: 600317

**** END OF REPORT RP007ES ****

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20001
20007HS

HAS
FS: AGRICULTURE
PAYMENT STUB

DATE: 10/12/2013
TIME: 17:37:19
PAGE 7

CONTACT PERSON : MRS S BOTHA
INSTALLATION DESCRIPTION: FS: AGRICULTURE
LOCATION DESCRIPTION : FS: AGRICULTURE

CONTACT TEL NO : 051-5061435
DISBURSEMENT NO: 000601303
ACTION DATE : 13/12/2013

PAYEE NAME : ESTINA PTY LTD
PAYMENT ADDRESS: BLOCK - A, 1ST FLOOR
144 KATHERINE STREET
SANDTON,
JOHANNESBURG
2146

BANK NAME : STANDARD BANK S.A
BANK BRANCH : BEDFORD GARDENS
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 310864860

SOURCE DOC NUMBER	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	USER	AMOUNT
CONTRACT	NOT APPLIC	001303695	AF	MOLOINJ	29,950,000.00
				TOTAL	29,950,000.00

PAYMENT WAS RE-ROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 11/12/2013. DISBURSEMENT NUMBER: 603303.

**** END OF REPORT 20007HS ****

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2

HAS
FS: AGRICULTURE
PAYMENT STUB

DATE: 22/07/2014
TIME: 18:26:51
PAGE 7

CONTACT PERSON : MRS S BOTHA
INSTALLATION DESCRIPTION: FS: AGRICULTURE
LOCATION DESCRIPTION : FS: AGRICULTURE

CONTACT TEL NO : 05145061435
DISBURSEMENT NO: 000605869
ACTION DATE : 25/07/2014

PAYEE NAME : ESTINA PTY LTD
PAYMENT ADDRESS: BLOCK A A, 1ST FLOOR
144 KATHERINE STREET
SANDTON,
JOHANNESBURG
2146

BANK NAME : STANDARD BANK S.A
BANK BRANCH : BEDFORD GARDENS
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 310854860

SOURCE DOC NUMBER	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	USER	AMOUNT
AGREEMENT	NOT APPLIC	001306520	AP	MOLOINJ	30,000,000.00
TOTAL					30,000,000.00

PAYMENT WAS REROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 23/07/2014. DISBURSEMENT NUMBER: 605869

**** END OF REPORT RP007B3 ****

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20001
RP007BSEAS
FS: AGRICULTURE
PAYMENT STUBDATE: 05/05/2015
TIME: 18:18:31
PAGE 2CONTACT PERSON : MRS S BOTHA
INSTALLATION DESCRIPTION: FS: AGRICULTURE
LOCATION DESCRIPTION : FS: AGRICULTURECONTACT TEL NO : 051-5061435
DISBURSEMENT NO: 000609613
ACTION DATE : 06/05/2015PAYEE NAME : ESTER PTY LTD
PAYMENT ADDRESS: 17 VOORTREKKE STREET
VRKDE
2835BANK NAME : FIRSTSTRAND BANK LIMITED
BANK BRANCH : REMOTE BANKING SERVICE 560
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 62505753906

SOURCE DOC REF	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	USER	AMOUNT
SUNDAY	NOT APPLIC	001210777	AP	MOLONG	60,000,000.00
				TOTAL	60,000,000.00

PAYMENT WAS RE-ROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 06/05/2015. DISBURSEMENT NUMBER: 609613.

**** END OF REPORT RP007BS ****

GP

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RP007BS

BAS
FS: AGRICULTURE
PAYMENT STUS

DATE: 26/04/2016
TIME: 20:30:08
PAGE 18

CONTACT PERSON : MRS S BOTHA
INSTALLATION DESCRIPTION: FS: AGRICULTURE
LOCATION DESCRIPTION : FS: AGRICULTURE

CONTACT TEL NO : 051-5061435
DISBURSEMENT NO: 000514040
ACTION DATE : 26/04/2016

PAYEE NAME : ESTINA PTY LTD
PAYMENT ADDRESS: 27 VOORTREKKER STREET
VREDE
9835

BANK NAME : FIRSTSTRAND BANK LIMITED
BANK BRANCH : REMOTE BANKING SERVICE 560
ACCOUNT TYPE: CURRENT
ACCOUNT NO : 62505753906

SOURCE DOC SER	PURCHASE ORDER NUMBER	PAYMENT NUMBER	FUNCTIONAL AREA	USER	AMOUNT
SUNDRY	NOT APPLIC	001315776	AP	MOLOING	46,252,652.00
				TOTAL	46,252,652.00

PAYMENT WAS RE-ROUTED TO A CREDIT TRANSFER. NEW ACTION DATE: 28/04/2016. DISBURSEMENT NUMBER: 614040.

**** END OF REPORT RP007BS ****

4

POST DATE	NUMBER	DATE	TRANSACTION TYPE	DESCRIPTION	FLHC AREA NUMBER	CODE	USER ID	REFERENCE NUMBER
22/04/2013	000000890	22/04/2013	GJ001	GENERAL JOURNAL CAPTURE	000000011	GJ	BOTHAS	

LINE NO	ALLOCATION	LINE DESCRIPTION	AMOUNT
2 I	701247 FARMER SUPPORT HOUSEHOLDS(CASH)	BAS CREDIT REV	
S	67247 INFRASTRUCTURE TRANSFERS CAPITAL	MATCHING FIELD DESCRIPTION	50,000,000.00 CR
O	30090247 EXTENSION & ADVISORY SERV	MATCHING FIELD VALUE	
R	32274247 FARMER SUPPORT THABO MOPUTSANYAN		
F	30003247 INFRASTRUCTURE ENHANCEMENT ALLOC		
P	30011247 DELVREDE DAIRY (12-13/706)		
A	30005247 PROCESSING FACILITY		
M	30015247 PHUMELELA FS195		
3 I	701247 FARMER SUPPORT HOUSEHOLDS(CASH)	BAS CREDIT REV	
S	67247 INFRASTRUCTURE TRANSFERS CAPITAL	MATCHING FIELD DESCRIPTION	24,000,000.00 CR
O	30089247 FARMER SETTLEMENT & DEV	MATCHING FIELD VALUE	
R	32245247 MANAGMNT:AGRIC DEV SUPP&LIVELIHO		
F	615247 COMPR AGRI SUPP PROG GRANT		
P	4247 NO PROJECTS		
A	30005247 PROCESSING FACILITY		
M	30015247 PHUMELELA FS195		
1 I	4194247 BAS CREDIT TRANSFERS:DOM	BAS CREDIT REV	
S	13247 ASSETS	MATCHING FIELD DESCRIPTION	84,900,000.00 DB
O	56247 ASSETS	MATCHING FIELD VALUE	
R	3247 CONTROL RESP.(POST)		
F	23247 POSTING: ASSETS&LIABILITIES FUND	SERIAL NUMBER	000000002
P	4247 NO PROJECTS		
A	235247 NON-ASSETS RELATED		
M	2247 NON PAY:NO REGIONAL IDENTIFIER		

**** END OF REPORT RP0043BS ****

Q

SELECTION CRITERIA : TYPE

	DETAIL
FUND	INFRASTRUCTURE ENHANCEMENT ALLOC
RESPONSIBILITY	ALL
REGIONAL IDENTIFIER	ALL
OBJECTIVE	ALL
INFRASTRUCTURE	ALL
ASSETS	ALL
PROJECT	ALL
ITEM	DELVREDE DAIRY (12-13/706) FARMER SUPPORT HOUSEHOLDS(CASH)

MATCHING FIELDS : NONE

SORT CRITERIA : F R M O S A P I

TOTALS : P0005 I0010

PAGE BREAK : NONE

LAST CLOSED MONTH : 03/2017

TYPE
LEVEL DESCRIPTION

DEBIT

CREDIT

P 004	DELVREDE DAIRY (12-13/706)			
I 005	FARMER SUPPORT HOUSEHOLDS(CASH)			
AP 0001300011	VREDE DAIRY PROJECT	00000060 MOLOINJ	12/04/2013	0.00
GJ 0000000011	BAS CREDIT REV	00000890 BOTHAS	22/04/2013	60,000,000.00
AP 0001300216	VREDE DAIRY PROJECT	00000902 MOLOINJ	22/04/2013	0.00
AP 0001300350	VREDE DAIRY PROJECT	00001412 MOLOINJ	29/04/2013	30,000,000.00
GJ 0000001252	RECTIFY ALLOCATION	00003161 MOALOSISJ	30/04/2013	19,050,000.00
GJ 0000004250	RECTIFY EXP VREDE DAIRY	00015796 VVUURENI	30/09/2013	5,000,000.00
GJ 0000004671	RECTIFY EXPENDITURE	00021700 KHAENETT	12/12/2013	5,950,000.00
PO 0020140090	YEAR END BATCH PROCESS	00031830 POBS01BS	31/03/2014	29,950,000.00
TOTAL I 005	FARMER SUPPORT HOUSEHOLDS(CASH)			0.00
TOTAL P 004	DELVREDE DAIRY (12-13/706)			0.00
				89,950,000.00
				0.00
				0.00

**** END OF REPORT RP0066BS ****

Pe



The Managing Director
Estina (Pty) Ltd
27 Voortrekker Avenue
Vrede 9835

Fax: 086 733 0022, e-mail: estina.sa@gmail.com

Dear Mr. Kamal Vasram

**CANCELLATION OF AGREEMENT DEPARTMENT OF AGRICULTURE & RURAL
DEVELOPMENT AND YOURSELVES**

1. Kindly be advised that, in as far as it may be necessary and without admitting that a valid Agreement came into being, the Agreement between yourselves and the Department of Agriculture & Rural Development, concluded on 05 July 2012, is hereby cancelled in accordance with the provisions of paragraph 15.3 of that Agreement.
2. You are further given notice that you should take necessary steps to complete your outstanding obligations as soon as possible, under advice to the Department and also immediately stop to perform any new work in relation to the project.
3. Since the Lease Agreement between yourselves and the Department of Agriculture & Rural Development was dependent on the existence of the Contract, dated 05 July 2012, which have been cancelled above, in as far as it may be necessary and without admitting that a valid Agreement came into being, the Lease Agreement is hereby cancelled.
4. We look forward to receiving your confirmation in this regard.

Yours faithfully

Mr. MP Thabethe

HOD: Agriculture & Rural Development

Date: 24/04/2014

OFFICE OF THE HOD

Private Bag X02, Bloemfontein, 9301
Glen, 1st Floor, Room 217, Bloemfontein
Tel: (051) 861 8509 Fax: (051) 861 8452
Email: pa.hodagric@fs.agric.za

MEMORANDUM OF AGREEMENT

ENTERED INTO BY AND BETWEEN

THE DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

herein represented by Mr MP Thabethe in his capacity as Head of Department and duly
authorized thereto

(hereafter referred to as the "DEPARTMENT")

AND

FREE STATE DEVELOPMENT CORPORATION

herein represented by Mr I Osman in his capacity as Chief Executive Officer and duly
authorized thereto

(hereafter referred to as "FDC")

[Handwritten signature]

INITIAL ONLY

DEPARTMENT:

FDC:

[Handwritten signature]

Witness: (1)

[Handwritten signature]

Witness: (2)

[Handwritten signature]

Witness: (1)

[Handwritten signature]

Witness: (2)

PREAMBLE

WHEREAS the DEPARTMENT entered into Agreements with ESTINA (Pty) Ltd, Registration No. 2008/015033/07, with regard to the Vrede Dairy Project;

WHEREAS the DEPARTMENT cancelled the Agreements with ESTINA (Pty) Ltd;

WHEREAS it has been in principle decided and agreed that FDC shall manage the Project during the interim,

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 The following terms and expressions, unless the context indicates otherwise, shall have the meanings assigned to them hereunder and cognate expressions shall have a corresponding meaning, namely:

“Agreement” means this Agreement as set out herein, together with any addenda, schedules and annexure signed by the parties and attached hereto;

“commencement date” means the date of the last signature hereof;

“DEPARTMENT” means the Department of Agriculture and Rural Development;

“FDC” means the Free State Development Corporation;

“parties” means the parties to this Agreement as more fully described on the first page of this Agreement;

“Project” means the management of the assets and staff of the terminated Vrede Dairy Project in the interest of the DEPARTMENT; and

“termination date” means 1 (one) month after the date of the notice in which the DEPARTMENT informs FDC of its decision regarding the Implementation Plan envisaged in clause 3.10.

- 1.2 The headings of the clauses in this Agreement are for the purposes of convenience and references only and shall not be used in the interpretation of nor modify nor amplify the terms of this Agreement nor any clause hereof.

- 1.3 Any reference to legislation, collective agreement or policy documents are to that legislation, collective agreements or policy documents as at the date of signature hereof and as amended.

INITIAL ONLY

DEPARTMENT:

FDC:

Witness: (1)

Witness: (2)

Witness: (1)

Witness: (2)

- 1.4 When the number of days is prescribed in this Agreement, it shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday or Public Holiday.
- 1.5 Where figures are referred to in numerals and words, if there is any conflict between the two, the words shall prevail.

2. DURATION AND TERMINATION

- 2.1 Subject to clauses 2.2 and 2.3, the Agreement commences on the commencement date and terminates on the termination date.
- 2.2 The Agreement also terminates when –
- (a) any party cancels the Agreement because of breach as envisaged in clause 4;
 - (b) funds are no longer available to pay for the management of the Project and the DEPARTMENT terminates this Agreement in its own discretion or temporarily suspends all or part of the Project by notice to the FDC whereupon FDC shall immediately make arrangements to stop the performance of the Project and minimize further expenditure: Provided that the FDC shall thereupon be entitled to payment in full for the services delivered up to the date of termination or suspension.
- 2.3 Upon termination of this Agreement, the FDC shall return all funds and assets, including offspring, but excluding reasonable wear and tear to the DEPARTMENT within 14 (fourteen) days of date of termination.

3. OBLIGATIONS OF THE PARTIES

- 3.1 The FDC shall execute the Project.
- 3.2 The FDC shall manage the assets verified by it on the list attached hereto as Schedule 1.
- 3.3 The FDC shall be responsible for the day-to-day management of the staff on the list attached hereto as Schedule 2.
- 3.4 The FDC shall verify the physical existence of assets, excluding their value, on the inventory list within 2 (two) weeks from commencement of this Agreement and submit a report to the DEPARTMENT with regard to its findings.
- 3.5 The FDC shall identify a bank account for purpose of the Project and inform the DEPARTMENT of the bank account number.

INITIAL ONLY

DEPARTMENT:

FDC:

Witness: (1)

Witness: (2)

Witness: (1)

Witness: (2)

- 3.6 The DEPARTMENT shall upon receipt of the bank account number of FDC, facilitate the transfer of the funds from the ESTINA bank account relating to the Vrede Dairy Project into the bank account of FDC.
- 3.7 FDC shall accept the funds from the DEPARTMENT and undertake to utilize it in the interest of the Project. Provided that should the funds be insufficient to manage the Project, FDC may submit a motivated and costed request for additional funds to the DEPARTMENT.
- 3.8 The FDC shall provide monthly progress reports on the Project to the DEPARTMENT.
- 3.9 The FDC shall ensure that the Project complies with legal prescripts.
- 3.10 The FDC shall submit, for approval by the DEPARTMENT, a costed Project Implementation Plan with specified milestones to the DEPARTMENT within 3 (three) months from commencement of the Agreement.
- 3.11 Upon receipt of the decision of the DEPARTMENT on the Project Implementation Plan envisaged in clause 3.10, FDC shall, prior to the termination date, make the necessary arrangements to give effect to aforesaid decision.

4. BREACH

Should either party commit or allow the commission of any breach of this Agreement and fail to remedy that breach within a period of 7 (seven) days after the receipt of notice to that effect from the other, then either party may, subject to clause 2, cancel this Agreement without prejudice to any other rights.

5. DISPUTE RESOLUTION

- 5.1 Dispute arising from this Agreement must be resolved amicably by representatives designated by the parties.
- 5.2 Should the dispute remain unresolved for a period of 7 (seven) days, any party may follow procedures in line with Chapter 4 of the Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005), which deals with the Settlement of Intergovernmental Disputes.

6. SOLE AGREEMENT

This Memorandum of Agreement constitutes the whole of the agreement between the parties with effect from the commencement date, and it supersedes all previous agreements and arrangements relating to the subject matter.

INITIAL ONLY

DEPARTMENT:

Witness: (1)

Witness: (2)

FDC:

Witness: (1)

Witness: (2)

7. **INDULGENCE**

No relaxation or indulgence which the DEPARTMENT may grant to the FDC shall constitute a waiver of rights of the DEPARTMENT and shall not preclude the DEPARTMENT from exercising any of its rights which might have arisen in the past or which might arise in the future.

8. **DOMICILIA AND NOTICES**

8.1 The parties to this Agreement choose their respective *domicilium citandi et executandi* as follows:

8.1.1. DEPARTMENT

Rm 218 Chemistry Building
Private Bag X02
GLEN
9360

Tel.: (051) 861 8509
Fax: (051) 861 8452

8.1.2 FDC

No. 33 Kellner Street
Westdene
PO Box 989
BLOEMFONTEIN
9300

Tel.: (051) 4000 802/812
Fax: 086 676 4590

- 8.2 Any party shall be entitled to change its *domicilium* by giving written notice to the other party, provided such change shall not take effect until the receipt of such notice by the other party.
- 8.3 All notices to be given by the parties to each other shall be given to the aforesaid addresses by delivery thereto, or by posting by registered mail, or by telex or telefax.

INITIAL ONLY

DEPARTMENT:

Witness: (1)

Witness: (2)

FDC:

Witness: (1)

Witness: (2)

Thus done and signed at BLOEMFONTEIN on this 13 day of August 2014

As Witnesses:

1. Seapi

2.

[Signature]
DEPARTMENT

Thus done and signed at BLOEMFONTEIN on this 13 day of AUGUST 2014

As Witnesses:

1.

2.

[Signature]
FDC

[Signature]

INITIAL ONLY
DEPARTMENT: [Signature] Witness: (1) [Signature] Witness: (2) [Signature]
FDC: [Signature] Witness: (1) [Signature] Witness: (2) [Signature]

SCHEDULE 1
INVENTORY LIST

[Handwritten mark]

INITIAL ONLY
DEPARTMENT: *[Signature]* Witness: (1) *IFS* Witness: (2) *[Signature]*
FDC: *[Signature]* Witness: (1) *[Signature]* Witness: (2) *[Signature]*

SCHEDULE 2

Basic Information of all employees at Estina(PTY)LTD						
Full Names	ID Number	Physical address	Contact Number	Start date	Remuneration	
Office:						
1 Mrs Rothman Theresa	8105220118086	40 Brand str	0827695311	26-11-2012	4000.00	
2 Mrs Van Rooyen Priscilla	9009090080088	47 Fleck str	0764404027	26-06-2013	3500.00	
3 Twala Paul Sibusiso(Driver)	8309306033082	4293 Extension 4	0724315094	21-11-2013	3000.00	
Farm workers:						
1 ✓ Dhlamini Samuel HM	6405015327088	2005 Ndaba Section	0766272023	15-05-2014	2500.00	
2 ✓ Dlamini Majaji	7101018628080	W226 Lindelani section	0721251292	10-05-2013	2500.00	
3 ✓ Motaung Feti	8010295412085	3417 Mhlambistreet, Vrede	0822634306	Nov-13	2500.00	
4 ✓ Shabangu Simon Bongani	8809205553080	L35 Lindelani Informal Settlement	0710055603	Nov-13	2500.00	
5 ✓ Tshabangu Joshua B	8111175342085	L-16 Lindelani Vrede	0829349835	19-10-2012	2500.00	
6 ✓ Tshabangu M Solomon	8901165390080	3212 Extension 3 Vrede	0712941118	19-10-2012	2500.00	
Livestock workers:						
1 ✓ Malinga William J	6909035536081	W224 Lindelani Vrede	0795842593	18-06-2013	2500.00	
2 ✓ Mboyiza Abram Buti	6107255646082	L-37 Lindelani Vrede	0767680805	15-09-2012	2500.00	
3 ✓ Mphuti Sam Teboho	8507106206085	691 Sibeko Street	0784462790	Nov-13	2500.00	
4 ✓ Radebe Bafana Michael	8701105315084	875 Motwakie Street	0789878943	Nov-13	2500.00	
5 ✓ Radebe Lucky Amos	8301018216089	1 Ras Street, Vrede	0792781749	15-05-2014	2500.00	
6 ✓ Tshabalala Johannes Mfanafuthi	8808087112080	01 Ras street	0799781188		2500.00	
7 ✓ Tshabangu Esue	8012166412087	L61 Lindelani	0725643957	11-06-2013	2500.00	
8 ✓ Tshangaphansie Shadrack H	8505275916088	27 Lindelani Section	0612469543	11-06-2013	2500.00	
9 ✓ Tsotetsi Joseph Vusimuzi	9006196059081	Lindelani L55	0733306742	Jun-13	2500.00	
10 ✓ Ngwenya Jimmy Bongani(Driver)	8203015446083	1204 Selepe Street, Vrede	0747440180	12-05-2014	2500.00	
Milking staff:						
1 ✓ Khanye Andries M	7002185338083	232A Modise Street	0768985800	26-06-2013	2500.00	
2 ✓ Khanye Oupa Obooi Atiso	8406105926084	3157 Yende street, Vrede	0723562936	30-Oct	2500.00	
3 ✓ Khanye Richard Motialepule	8906246040083	2324 Modise Street	0711087307	27-10-2013	2500.00	
4 ✓ Khumalo Jacob	6712045307083	682 Maseko	0826883561	04-09-2013	2500.00	

5	Mkhwebane Mbuti Albert	9109096330089	1720 Hambanathi street, Vrede	0765680677	26-04-2014	2500.00
6	Moloi Alfred MM	8512056576081	4865 Ext 4 Thembalihle	0846234263	26-06-2013	2500.00
7	Msiya Mdabi James	6506165498080	4878 Ex 4 Vrede	0840664428	21-05-2013	2500.00
8	Soyamba Siphwe	8610115714089	68 Mabanga Street	0846456628	Nov-13	2500.00
9	Tshabalala Lindiwe Martha	8907030322083	175 Mhlambi Street	0782159135	26-04-2014	2500.00
10	Sibeko Simanga Zacharia(Driver)	7108265381081	1678 Hadebe Section, Vrede	0835371195	19-11-2013	3000.00
	Security:					
1	Motloung Sunny	8001125488080	3617 Qhubeka Vrede	0769895234	13-07-2013	2500.00
2	Makubu Abrahamson OT	8008305754082	479 Shabangu Street	0742676697	13-07-2013	2500.00
3	Motloung Emmanuel Mojalefa	8804096026080	470 Shabangu Street	0765112316	26-03-2014	2500.00
4	Tshabalala Sibusiso Treusure	8207236037084	2185 Ndaba Village	0846015163	26-03-2014	2500.00
	Others:					
1	Mkhwebane Sindiswa Anah	8607220824084	1720 Radebe str, Thembalihle	0761455100	26-06-2013	2500.00
2	Motaung Lehlohonolo Johannes	8008235247082	4230 Ext 4, Thembalihle	0743201808	31-03-2013	2500.00
3	Nkutha Jabulile Topsy	7906081086085	W117 Lindelani, Thembalihle	0763149096	18-12-2012	2500.00

Monan.

7-17

13 AUGUST 2014.

[Signature]

HANDOVER OF ASSETS OF
THE VREDE DAIRY PROJECT, VREDE
TO
THE FREE STATE DEVELOPMENT CORPORATION
(represented by Mr. Ikhraam Osman, Head of Dept.)
THROUGH
THE DEPARTMENT OF AGRICULTURE &
RURAL DEVELOPMENT,
FREE STATE PROVINCIAL GOVERNMENT
(represented by the Head of the Department, Mr MP Thabethe)
BY
ESTINA PTY (LTD)
(represented by Mr Kamal Vasram, Managing Director),

SUMMARY OF LIST OF ASSETS BEING HANDED OVER**SUMMARY OF ASSET LIST**

Item No.	Sub-Heading	TOTAL EXCL. VAT	TOTAL INCL. VAT	Qty	Category
A	Animal Purchase - CATTLE	R 14 489 538.00	R 16 518 073.32	791	Cattle
B1	Workshop Equip	R 100 000.00	R 114 000.00	LOT	Stock
B2	Tractors/Farm Vehicles	R 2 543 400.00	R 2 899 476.00	LOT	Stock
B4	Reproduction Equip.	R 61 300.00	R 69 882.00	LOT	Stock
B5	Farm Implements	R 4 875 000.00	R 5 557 500.00	LOT	Stock
B6	Office Furniture & Computers	R 150 000.00	R 171 000.00	LOT	Stock
B	SUB-TOTAL	R 22 219 238.00	R 25 329 931.32		
C1	Electrical Power Sub-Station	R 1 126 000.00	R 1 283 640.00	UNIT	Fixed Asset
C2	De Laval Dairy Milk parlour 70 Point	R 12 483 375.00	R 14 231 047.50	UNIT	Fixed Asset
C3	Dairy Milk parlour 10 Point	R 1 500 000.00	R 1 710 000.00	UNIT	Fixed Asset
C4	Reservoir & Purification System	R 5 495 200.00	R 6 264 528.00	UNIT	Fixed Asset
C5	Pasteurizing Equipment	R 34 488 000.00	R 39 316 320.00	UNIT	Fixed Asset
C6	Dairy Buildings	R 50 655 200.00	R 57 746 928.00	7	Fixed Asset
C7	Cattle-Feed Plant	R 6 315 200.00	R 7 199 328.00	1	Fixed Asset
C8	Ancillary Dairy Buildings	R 10 432 000.00	R 11 892 480.00	4	Fixed Asset
C	SUB-TOTAL	R 122 494 975.00	R 139 644 271.50		
D	MANURE & WASTE REMOVAL	R 5 407 500.00	R 6 164 550.00	LOT	Fixed Asset
GRAND TOTAL		R 150 121 713.00	R 171 138 752.82		

DETAILED LIST OF ASSETS BEING HANDED OVER ON AUGUST 12, 2014**ANNEXURE – A – LIVESTOCK (CATTLE)**

CATTLE				
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DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
LIVESTOCK CATTLE	791	R 18 318.00	R 14 489 538.00	R 16 518 073.32
TOTAL			R 14 489 538.00	R 16 518 073.32

ANNEXURE – B1 :: WORKSHOP EQUIPMENT

WORKSHOP EQUIPMENT				
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DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
HAMMER 500G	1	R 500.00	R 500.00	R 570.00
SPOTLIGHT ENERGIZER	1	R 250.00	R 250.00	R 285.00
SPANNER 19MM	2	R 250.00	R 500.00	R 570.00
LASHER FORK	4	R 2 500.00	R 10 000.00	R 11 400.00
SPANNER SET ALLEN 25	1	R 1 000.00	R 1 000.00	R 1 140.00
SPANNERS- SIZE 1-36	1	R 1 000.00	R 1 000.00	R 1 140.00
SOCKET SET	1	R 1 000.00	R 1 000.00	R 1 140.00
HEAVY DUTY VICE	1	R 1 750.00	R 1 750.00	R 1 995.00
TROLLEY JACK	1	R 5 000.00	R 5 000.00	R 5 700.00
PIK	1	R 1 250.00	R 1 250.00	R 1 425.00
SHOVEL	4	R 1 250.00	R 5 000.00	R 5 700.00
GRASS CUTTER	1	R 10 000.00	R 10 000.00	R 11 400.00
RAKE	1	R 500.00	R 500.00	R 570.00
SILAGE FORK	4	R 2 000.00	R 8 000.00	R 9 120.00
RING SPANNER	23	R 250.00	R 5 750.00	R 6 555.00
LAMP TORCH	2	R 1 000.00	R 2 000.00	R 2 280.00
AIR COMPRESSOR	1	R 10 000.00	R 10 000.00	R 11 400.00
7 KVA GENERATOR	1	R 14 876.00	R 14 876.00	R 16 958.64
OPEN ENDED C SPANNER	6	R 150.00	R 900.00	R 1 026.00
5LB HAMMER	1	R 1 414.00	R 1 414.00	R 1 611.96
SOYA BEAN PLANTER	8	R 1 200.00	R 9 600.00	R 10 944.00
FLAT NOSE COMB PLIERS	2	R 300.00	R 600.00	R 684.00
WHEEL BARROW	1	R 500.00	R 500.00	R 570.00

13mm METAL DRILL BIT	1	R 80.00	R 80.00	R 91.20
TIMBER FLAT BIT	4	R 60.00	R 240.00	R 273.60
SOCKET SLIDE "T" BAR	1	R 150.00	R 150.00	R 171.00
SOCKET EXTENSION BAR	1	R 90.00	R 90.00	R 102.60
HEAVY DUTY SOCKETS	6	R 200.00	R 1 200.00	R 1 368.00
BOBJUM SPANNER	1	R 150.00	R 150.00	R 171.00
VICE GRIP	1	R 80.00	R 80.00	R 91.20
WELDING HELMET	1	R 70.00	R 70.00	R 79.80
SQUARE	1	R 50.00	R 50.00	R 57.00
STEEL TOOL BOX	1	R 200.00	R 200.00	R 228.00
OIL GUN	1	R 200.00	R 200.00	R 228.00
INSECT CONTROL SPRAYER	1	R 500.00	R 500.00	R 570.00
CHAIN SAW	1	R 1 300.00	R 1 300.00	R 1 482.00
BOW SAW	1	R 300.00	R 300.00	R 342.00
HONDA 160 GENERATOR	1	R 4 000.00	R 4 000.00	R 4 560.00
TOTAL			R 100 000.00	R 114 000.00

ANNEXURE – B2 :: TRACTORS/FARM VEHICLES

TRACTORS/FARM VEHICLES

DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
JOHN DEERE 110 KVA	1	R 820 000.00	R 820 000.00	R 934 800.00
JOHN DEERE 110KVA	1	R 820 000.00	R 820 000.00	R 934 800.00
TAFE 60 KVA	1	R 25 000.00	R 25 000.00	R 28 500.00
TAFE 60 KVA	1	R 25 000.00	R 25 000.00	R 28 500.00
TIPPER TRAILORS	4	R 48 350.00	R 193 400.00	R 220 476.00
CITROEN AIRCROSS	1	R 250 000.00	R 250 000.00	R 285 000.00
G.W.M BAKKIE	1	R 200 000.00	R 200 000.00	R 228 000.00
HYUNDAI BAKKIE	1	R 150 000.00	R 150 000.00	R 171 000.00
2000LT WATER BOUZER	1	R 60 000.00	R 60 000.00	R 68 400.00
TOTAL			R 2 543 400.00	R 2 899 476.00

ANNEXURE – B3 :: REPRODUCTION EQUIPMENT

REPRODUCTION EQUIPMENT

DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
FLASK B2036	2	R 500.00	R 1 000.00	R 1 140.00
FLASK	1	R 1 000.00	R 1 000.00	R 1 140.00
THAWING FLASK	1	R 1 000.00	R 1 000.00	R 1 140.00
AI BOX	1	R 2 500.00	R 2 500.00	R 2 850.00
MOBILE MILKING MACHINE	1	R 50 000.00	R 50 000.00	R 57 000.00
CALF FEEDING BUCKETS	8	R 100.00	R 800.00	R 912.00
CITO THAWING FLASK 12V	1	R 5 000.00	R 5 000.00	R 5 700.00
TOTAL			R 61 300.00	R 69 882.00

ANNEXURE – B4 :: FARM IMPLEMENTS

FARM IMPLEMENTS

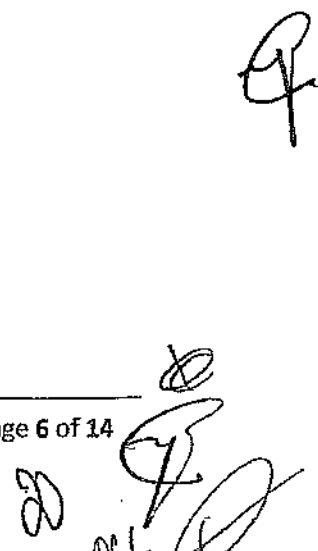
DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
JOHN DEERE PLANTER	1	R 250 000.00	R 250 000.00	R 285 000.00
KUHN SPREADER	1	R 150 000.00	R 150 000.00	R 171 000.00
ROVIC & LEERS CHISEL PLOUGH	2	R 200 000.00	R 400 000.00	R 456 000.00
ATASA SPRAYER	1	R 25 000.00	R 25 000.00	R 28 500.00
AXEL TRAILOR	1	R 35 000.00	R 35 000.00	R 39 900.00
KUHN DISC MOWER 800	1	R 35 000.00	R 35 000.00	R 39 900.00
ROVIC & LEERS 8 ROW CULTIVATOR	1	R 25 000.00	R 25 000.00	R 28 500.00
TIPPER TRAILOR	4	R 25 000.00	R 100 000.00	R 114 000.00
ROVIC & LEERS HAY RAKE	1	R 5 000.00	R 5 000.00	R 5 700.00
KRONE F125 BALER	1	R 15 000.00	R 15 000.00	R 17 100.00
FRONT END LOADER	1	R 25 000.00	R 25 000.00	R 28 500.00
SINGLE ROW HARVESTER	1	R 125 000.00	R 125 000.00	R 142 500.00
5KW GENERATOR	1	R 50 000.00	R 50 000.00	R 57 000.00
FIRE FIGHTER	1	R 2 500.00	R 2 500.00	R 2 850.00
HYDRAULIC DISC HARROW	1	R 125 000.00	R 125 000.00	R 142 500.00
WATER TROUGH	3	R 2 500.00	R 7 500.00	R 8 550.00
BALE RING	1	R 2 500.00	R 2 500.00	R 2 850.00
TMR (Total Mix Ration) Equipment	1	R 2 500 000.00	R 2 500 000.00	R 2 850 000.00
FIRE FIGHTER TRAILOR	1	R 5 000.00	R 5 000.00	R 5 700.00
NECK CLAMP	1	R 250.00	R 250.00	R 285.00

FEED TROUGHS	20	R 2 500.00	R 50 000.00	R 57 000.00
BALE LOADER	1	R 5 000.00	R 5 000.00	R 5 700.00
INTER ROW CULTIVATOR	1	R 300 000.00	R 300 000.00	R 342 000.00
FLAT BED TRAILOR	1	R 70 000.00	R 70 000.00	R 79 800.00
BOXED TRAILOR	1	R 50 000.00	R 50 000.00	R 57 000.00
MAIZE MEAL FLOW	1	R 150 000.00	R 150 000.00	R 171 000.00
T.L.B	1	R 342 250.00	R 342 250.00	R 390 165.00
GRASS CUTTER	1	R 25 000.00	R 25 000.00	R 28 500.00
TOTAL			R 4 875 000.00	R 5 557 500.00

ANNEXURE – B5 :: OFFICE FURNITURE & COMPUTERS

OFFICE FURNITURE & COMPUTERS

DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
2MTR ROSEWOOD DESK 3 PIECE	1	R 15 000.00	R 15 000.00	R 17 100.00
TANUR HIGHBACK BLACK LEATHER	1	R 5 000.00	R 5 000.00	R 5 700.00
TANUR VISITORS BLACK LEATHER	2	R 3 500.00	R 7 000.00	R 7 980.00
HAT STAND	1	R 3 000.00	R 3 000.00	R 3 420.00
VETTEL MIDBACK CHAIR	6	R 2 500.00	R 15 000.00	R 17 100.00
DIXI BURGANDY MOHOGONY RH	1	R 7 500.00	R 7 500.00	R 8 550.00
MUSTANG HIGHBACK CHAIR	1	R 6 500.00	R 6 500.00	R 7 410.00
SYSTEMS CUPBOARD ROLLER DOOR	1	R 6 000.00	R 6 000.00	R 6 840.00
1500X900 SYSTEMS HINGE DOOR	2	R 2 500.00	R 5 000.00	R 5 700.00
DESKTOP COMPUTERS	4	R 11 000.00	R 44 000.00	R 50 160.00
LAPTOP COMPUTERS	3	R 10 000.00	R 30 000.00	R 34 200.00
XEROX PRINTERS	1	R 3 000.00	R 3 000.00	R 3 420.00
HP OFFICEJET 6100 PRINTER	1	R 3 000.00	R 3 000.00	R 3 420.00
TOTAL			R 150 000.00	R 171 000.00



ANNEXURE – C1 :: ELECTRICAL POWER SUB-STATION

ELECTRICAL POWER SUB-STATION

DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
500KVA Power Sub-station installed	1	R 1 126 000.00	R 1 126 000.00	R 1 283 640.00
TOTAL			R 1 126 000.00	R 1 283 640.00

ANNEXURE – C2 :: DAIRY MILK PARLOR 70 POINT

DeLaval DAIRY MILK PARLOR 70 POINT

DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
Complete 70-point Rotary Milk Parlor	1	R 12 483 375.00	R 12 483 375.00	R 14 231 047.50
TOTAL			R 12 483 375.00	R 14 231 047.50

ANNEXURE – C3 :: DAIRY MILK PARLOR 10 POINT

DeLaval DAIRY MILK PARLOR 10 POINT

DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
Complete 10-point Milk Parlor	1	R 1 500 000.00	R 1 500 000.00	R 1 710 000.00
TOTAL			R 1 500 000.00	R 1 710 000.00

ANNEXURE – C4 :: RESERVOIR & PURIFICATION SYSTEM

RESERVOIR & PURIFICATION SYSTEM

DESCRIPTION	QTY	Unit Value	Total excl. VAT	Total incl. VAT
586,000 Litres Reservoir Unit with Pumps	1	R 3 995 200.00	R 3 995 200.00	R 4 554 528.00
Water Purification Unit	1	R 1 500 000.00	R 1 500 000.00	R 1 710 000.00
TOTAL			R 5 495 200.00	R 6 264 528.00

ANNEXURE – C5

DAIRY PASTEURIZING EQUIPMENT

Milk Reception

S.No.	Particulars	Qty	Unit Price incl. VAT	Total price incl. VAT
1	Raw milk storage tank capacity 10 KL, MOC SS-304	3	R 633 976	R 1 901 928
2	Weighing Balance with weighing bowl capacity 500 kg, MOC - SS-304	1	R 253 918	R 253 918
3	Dump tank 1000 Ltr with strainer	1	R 131 054	R 131 054
4	Raw milk pumps 10 KLPH , SS 304 with 3/4 HP motor	1	R 43 412	R 43 412
5	In line filter SS-304	1	R 14 744	R 14 744
6	Raw milk chiller 10 KLPH	1	R 253 918	R 253 918
7	Milk Unloading Pump capacity 10 KLPH	1	R 45 050	R 45 050
9	Double Inline Filter	1	R 95 014	R 95 014
13	Tanker Unloading SS wire braded hose Pipe	3	R 40 955	R 122 865
			TOTAL	R 2 861 903

MILK PROCESSING & PACKING SECTION

S.No.	Particulars	Qty	Unit Price incl. VAT	Total price incl. VAT
1	Pasteurized milk pumps 5 KLPH , SS 304 with 2 HP motor	4	R 36 040	R 144 160
2	Milk Pasteurizer Capacity 5000 LTR/ HR	1	R 2 037 180	R 2 387 180
3	Milk clarifier cum Cream Separator(Manual Cleaning)	1	R 1 965 816	R 1 965 816
4	Double head Pouch packing machine capacity 80 pouch/ min	1	R 1 032 053	R 1 032 053
5	Crate conveyor Gravity type	3	R 19 658	R 58 974
7	Milk Storage tank 5000 Ltr with agitator	3	R 532 409	R 1 597 227
9	Horizontal Milk tank 3 KL	3	R 409 545	R 1 228 635




10	LEAKY POUCH TANK 1000 LTR	1	R 131 054	R 131 054
11	SS TABLE WITH SMS UNION FOR PACKING MACHINE	1	R 40 955	R 40 955
TOTAL			R	8 586 054

BUTTER & GHEE SECTION

S.No.	Particulars	Qty	Unit Price incl VAT	Total price incl. VAT
1	CREAM BALANCE TANK SS-304 ,Cap- 100 Ltr	1	R 29 487	R 29 487
2	Cream Transfer Pump , 500 Ltr/hr, Motor 0.5 hp	1	R 29 487	R 29 487
3	Cream chiller, Cap. 500 lph	1	R 147 436	R 147 436
4	Insulated Cream Storage tank with agitator, Capacity -1350 LTr	3	R 398 078	R 1 194 234
5	Butter churn, Cap. 1000 lts.	1	R 737 181	R 737 181
6	Butter trolley- 300 Kg handling capacity	3	R 73 718	R 221 154
7	Triple Jacket Butter Melting vat Cap. 500	1	R 319 445	R 319 445
8	Ghee kettle (triple jacket) -500 LTR	1	R 368 591	R 368 591
9	Ghee balance tank-100 LTr with filter	1	R 29 487	R 29 487
10	Ghee Transfer pump, Motor Cap .5 hp	1	R 29 487	R 29 487
11	Ghee settling tank cap.500 lts-SS-304	1	R 106 482	R 106 482
12	Ghee filling tank cap. 1000 lts with strainer	1	R 319 445	R 319 445
14	Tin Sealing machine	1	R 14 744	R 14 744
TOTAL			R	3 546 660

UTILITIES

S.No.	Particulars	Qty	Unit Price incl VAT	Total price incl. VAT
1	Ammonia Refrigeration Plant(40 TR x2), consist with condenser , receiver , Ice bank tank , chilled water circulation pump etc with a capacity to handle cream chiller and cream ripening vats requirement. (Milk & Ghee) with 50 HP Motors.	1	R 7 204 629	R 7 204 629
2	Steam boiler with soft ner, Capacity 1500 kg/hr, Coal fired .	1	R 2 976 084	R 2 976 084
3	Air compressor 20 cfm -- Non lubricated	1	R 163 836	R 163 836
4	Water treatment plant - MGF/ ACF	1	R 409 545	R 409 545
5	Misc handling equipment like crate trolley*.	10	R 37 707	R 377 070

6	Process piping*	1	R 900 999	R 900 999
7	Utility piping *	1	R 982 908	R 982 908
			TOTAL	R 13 015 071

CIP SYSTEM

S.No.	Particulars	Qty	Unit Price incl VAT	Total price incl. VAT
1	CIP SYSTEM FULLY AUTOMATIC	1	R 6 467 448	R 6 467 448
			TOTAL	R 6 467 448

EXTRA ESSENTIAL ITEMS

S.No.	Particulars	Qty	Unit Price incl VAT	Total price incl. VAT
1	MILK COLD STORE	1	R 884 617	R 884 617
2	GHEE & BUTTER COLD STORE FOR GRAINULATION	1	R 589 745	R 589 745
3	LAB TESTING EQUIPMENTS	1	R 737 181	R 737 181
4	D.G.SET(166 KVA AT .8 POWER FACTOR, 50 CYCLES PER SECOND, THREE PHASE)	1	R 1 474 362	R 1 474 362
5	ETP(60 KLPD)	1	R 1 032 053	R 1 032 053
6	MISCLL	1	R 121 225	R 121 225
			TOTAL	R 4 839 184

SUMMARY OF COSTS

			TOTAL
1	Milk Reception	R	2 861 903
2	Milk Processing & Packing	R	8 586 054
3	Ghee & Butter Section	R	3 546 660
4	Utilities	R	13 015 071
5	CIP System	R	6 467 448
6	Extra Essential Items	R	4 839 184
=	GRAND TOTAL	R	39 316 320


 N.L. 

ANNEXURE – C6 :: DAIRY BUILDINGS

LIST OF DAIRY BUILDINGS

SUB-HEADING	Description	Value excl. VAT	Value incl. VAT
Dairy Building	70 Point Rotary Parlor	R 7 969 000.00	R 9 084 660.00
Dairy Building	Pasteurizing Plant Building	R 12 500 000.00	R 14 250 000.00
Dairy Building	No. 1 Cow Housing	R 8 870 000.00	R 10 111 800.00
Dairy Building	No. 2 Cow Housing	R 8 870 000.00	R 10 111 800.00
Dairy Building	Heifer Pens	R 4 260 000.00	R 4 856 400.00
Dairy Building	Calving & calf Rearing Pens	R 4 680 000.00	R 5 335 200.00
Dairy Building	10 Point Parlor	R 3 506 200.00	R 3 997 068.00
	TOTAL	R 50 655 200.00	R 57 746 928.00

ANNEXURE – C7 :: CATTLE-FEED PLANT

CATTLE-FEED PLANT

Cattlefeed Plant	Feeding Store	R 6 315 200.00	R 7 199 328.00
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ANNEXURE – C8 :: ANCILIARY BUILDINGS

LIST OF ANCILIARY BUILDINGS

Ancillary Dairy Bldg	Guardhouse & Security Gate	R 364 000.00	R 414 960.00
Ancillary Dairy Bldg	Gravel Access Road	R 1 200 000.00	R 1 368 000.00
Ancillary Dairy Bldg	Tractor Shed	R 4 850 000.00	R 5 529 000.00
Ancillary Dairy Bldg	Workshop	R 4 018 000.00	R 4 580 520.00
	TOTAL	R 10 432 000.00	R 11 892 480.00

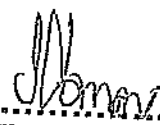
ANNEXURE – D: MANURE & WASTE REMOVAL EQUIPMENT

SUB-HEADING	Description	Value excl. VAT	Value incl. VAT
Manure & Waste	10.4KL Mobile Tanker	R 1 545 000.00	R 1 761 300.00
Manure & Waste	PICHON Compact Loader	R 1 050 000.00	R 1 197 000.00
Manure & Waste	Roto Guido Manure Pump	R 2 812 500.00	R 3 206 250.00
	TOTAL	R 5 407 500.00	R 6 164 550.00

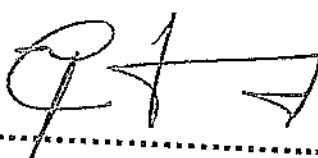
ANNEXURE – E

List of employees at Estina Vrede: August 08, 2014				
No.	Full name	ID number	Salary	Date of joining
	Dairy & Farm Management			
1	Mr. Chandrama Prasad (CEO)	E8653817	R 65 000	2012/09/06
2	Quintin Isaac Andries	8503225056089	R 25 000	2014/08/01
3	Mr. Sugreev Yadav	K7264425	R 15 000	2013/07/01
	Office Administrators			
1	Mrs. Theresa Rothman	8105220118086	R 4 000.00	2012/11/26
2	Mrs. Priscilla Van Rooyen	9009090080088	R 3 500.00	2013/06/26
	Regular Labour: Agriculture			
1	Samuel Henry M Dhlamini	6405015327088	R 2 500.00	2014/05/26
2	Abraham Buti Mboyiza	6107255646082	R 2 500.00	2014/05/26
3	Feti Roovers Motaung	8010295412085	R 2 500.00	2014/05/26
4	Mzwandile Solomon Tshabangu	8901165390080	R 2 500.00	2014/05/26
5	Joshua Boy Tshabangu	8111175342085	R 2 500.00	2014/05/26
	Regular labour: Veterinary/Livestock			
1	Majaji Dlamini	7101018628080	R 2 500.00	2014/05/26
2	Andries Motlalepula Khanye	7002185338083	R 2 500.00	2014/05/26
3	Richard Motlalepule Khanye	8906246040083	R 2 500.00	2014/05/26
4	Oupa Obooi Atiso Khanye	8406105926084	R 2 500.00	2014/05/26
5	Jacob Khumalo	6712045307083	R 2 500.00	2013/11/26
6	William Jabulani Malinga	6909035536081	R 2 500.00	2014/05/26
7	Mbuti Albert Mkhwebane	9109096330089	R 2 500.00	2014/04/26
8	Alfred Moloj	8512056576081	R 2 500.00	2014/05/26
9	Sam Teboho Mphuti	8507106206085	R 2 500.00	2014/05/26
10	James Mdabi Msiya	6505165498080	R 2 500.00	2014/05/26
11	Bafana Michael Radebe	8701105315084	R 2 500.00	2014/05/26
12	Lucky Amos Radebe	8301018216089	R 2 500.00	2014/05/26
13	Simon Bongani Shabangu	8809205553080	R 2 500.00	2014/05/26
14	Siphiwe Soyamba	8610115714089	R 2 500.00	2014/05/26
15	Johannes Mfanafuthi Tsabalala	8808087112080	R 2 500.00	2015/05/26
16	Esue Tshabangu	8012166412087	R 2 500.00	2014/05/26
17	Shadrack Tshangapansi	8505275916088	R 2 500.00	2014/05/26
18	Joseph Vusimuzi Tsotetsi	9006196059081	R 2 500.00	2014/05/26

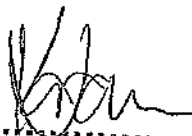
SIGNED at VREDE on this the 13 day of AUGUST 2014.


 Name: MR I. OSMAN
 On behalf of the Free State Development Corporation

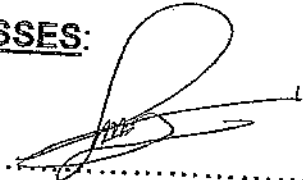
SIGNED at VREDE on this the 12 day of AUGUST 2014.


 Name: Mr MP THABETHE
 On behalf of the Department of Agriculture
 & Rural Development

SIGNED at VREDE on this the 12 day of AUGUST 2014.


 Name: Mr KAMAL VASRAM
 On behalf of Estina Pty (Ltd)

WITNESSES:

1. 

2. 