



Mzala Wines – a model to increase equity ownership for black employees

In 2019, the Van Loveren wine estate partnered with FNB to empower black employees through equity ownership, land conversion and training.

The equity contribution was funded through an FNB non-recoverable grant. This allowed 13 black employees to acquire shareholdings in the commercial agricultural project Mzala Wines, which then acquired a 30% shareholding in Middelburg Vineyards. This created a productive asset for the employees. The remaining 70%, owned by Van Loveren, will be transferred to Mzala Wines over time.

The initiative has delivered:

- equity ownership and active shareholder participation, including training and mentorship of black farm workers;
- conversion of the Middelburg farms into a productive asset; and
- a model for a blended finance approach between grant, debt and equity in support of the development of black-owned commercial farms.

Funding contributions as at 30 June 2023:

- R34 million of grant funding representing the equity participation of black employees.
- Debt funding through a R20 million ten-year loan (deployed between 2020 and 2022).
- Additional financial support was provided by Van Loveren to Mzala Wines to supplement the FNB contribution, which funded water licences, land acquisition and infrastructure development.

It is estimated that the project will create R50 million in turnover by its tenth year, with profits before tax of R10 million. The farm has generated sustainable income streams, and in February 2023 its valuation was R118 million.

By 2029 the project aims to create **405 permanent and 285 seasonal jobs**.

Crops planted between 2019 and 2023:

Crop	Hectares
Vineyards	56
Cherries	26
Almonds	50
Citrus	32
TOTAL	164



AS AT 30 JUNE 2023, A TOTAL OF **545 TONNES OF GRAPES** HAS BEEN HARVESTED AND THE TOTAL REVENUE FROM ALL CROPS IS ESTIMATED AT **R17 MILLION**.