

**BUSINESS PLAN FOR THE GRAIN BUILDING  
SITUATED ON ERVEN 1367 AND 1368 IN THE  
WILLOWS EXTENSION 82**

**Compiled by L&L Agricultural Services on  
behalf of Grain Building (Pty) Ltd**

## **Executive Summary**

The Grain Building is an exciting initiative of the Maize Trust, a non-discretionary trust that serves as custodian to and funding body in the South African maize industry. The Maize Trust identified the need for the grain services organisations, particularly the SA Grain Information Service (SAGIS) and the SA Grain Laboratory (SAGL), to have secure premises that could be utilised over a long period of time to the benefit of the grain industries in South Africa. At present these services organisations are renting office and laboratory premises at different locations in Pretoria, which could be terminated by the present landlords at any given moment in time. Relocation of the organisations will not only be very costly but will also disrupt the respective services to the grain industries.

The Maize Trust therefore decided to identify suitable premises for the development of a grain building that could be utilised by these services organisations. A private company was formed to develop and own the intended building on the premises. Funding for the project is provided by the Maize Trust in terms of a formal loan agreement with the company. This will secure the services organisations and will also provide other services in itself to grain industry role-players. The grain building is intended to become the central meeting point for the grain industries services organizations, with the aim of decreasing costs and maximizing effectiveness.

The building will be situated on a tranquil piece of land against the Bronberg Mountain, which is a welcoming environment to work in but also an ideal location to house a conference centre where delegates could meet to discuss industry matters away from the hustle and bustle of the city. The grain building has an environmental responsibility and the well-being of the golden squirrel mole, which is indigenous to this area, was addressed by securing a 10 metre wide strip along the eastern boundary of the premises. The development is also done as an energy efficient building.

There will be an on-site conference centre with catering services, which will be made available to the public for rent when it is not in use by the tenants of the building or industry members.

The directors of the company are involved in every step of the decision making process, resulting in a quality and well planned development. The aim is to develop a building that is logical and sustainable for the industry as a whole. This development will benefit the agricultural industry as a whole and is the type of development that is needed to sustain agricultural knowledge and expertise for South Africa.

## **Business Overview**

Grain Building (Pty) Ltd is a new company that has been registered under registration number 2008/027279/07.

The sole purpose and long term objective of the company is to develop and own a building in the Willows that will house a number of agricultural services organisations.

By housing all the services organisations, the grain building will be a hive of knowledge and experience to the benefit of the agricultural industries of South Africa.

The current short term objective for the grain building is to complete the building work. The zoning process of the site is due to be completed in February 2009 and proclamation should take place in March 2009. The grain building will rent office and laboratory space to the different service organisations and other tenants on a long term agreed basis and serve as a central meeting point for the grain industries of South Africa in a conveniently located conference centre. The conference centre has an auditorium that can seat up to 60 people with catering services. This service will not only be rented to the tenants of the building and the grain industries, but will also be rented out to other companies from outside.

The grain building will be situated in a beautiful central location, against the Bronberg Mountain, which is easily accessible from all surrounding highways. The site comprises two pieces of land that measures 12 844m<sup>2</sup>, with approximately 2 733m<sup>2</sup> being classified as "Private Open Space" and that could not be developed. The piece of land that the building is to be erected on is excavated to form different levels. The grain building is an environmentally friendly building, as everything has been done to accommodate the area's golden squirrel mole, a protected species. Structural, Civil, Electrical and Mechanical Engineers are members of the project team that are working on the "green factor" (energy efficiency) of the building, which are to include inter alia the following:

- North elevations will be deeply recessed with light shelves and photo voltaic cells.
- All the western facades will have cavity walls.
- All the basement roofs will be cast with polystyrene blocks and rib slabs.
- A special heat absorbing air conditioning system will be installed.
- A UPS system that is related to PV cells with a standby generator will be installed.

### **Company Management**

As mentioned before, the grain building is to enter into a loan agreement with the Maize Trust to obtain the land and develop the building. The initial directors and auditors of Grain Building (Pty) Ltd are as follows:

Directors: Ms. L Thahane, appointed on 18/11/2008  
 Mr. J.F. de Villiers, appointed on 18/11/2008  
 Mr. L.du Plessis, appointed on 18/11/2008

Auditors: Ashton CA (SA) Group

The directors are the persons responsible for taking all the decisions regarding the furnishings, fittings and finishes of the building, in conjunction with the Architects that designed the building. The Auditors are responsible for all the financial aspects of the company and the development of the building. No personnel have as yet been appointed by the company

## **The Market**

The grain building will be working hand in hand with the different sectors within the agricultural industry to make this initiative a success. This is therefore an industry project that aims to benefit agriculture in South Africa by providing secure working space for agricultural services organisations, while at the same time providing an income to the company.

## **Sales and Marketing Strategy**

There is strong word of mouth marketing with regard to the grain building through all the different industry associations and prospective tenants that will be relocating to the building.

## **Legal and Regulatory Environment**

As mentioned before, the development has been registered under the name of Grain Building (Pty) Ltd, with registration number 2008/027279/07. All the legal and regulatory requirements with regard to both the company and the development of the building are being adhered to.

## **SWOT Analysis**

The opportunity of securing the land on which the grain building is to be erected has been achieved, as well as the aim of developing an environmentally friendly building. There are two definite strengths for the grain building, namely that the building is situated in a beautiful location and that the grain industry services organisations will all be located under one roof. As yet there are no identifiable weaknesses but if any should arise, the grain building directors will try their utmost to curb the extent thereof.

## **Appendice:**

## **Withdrawal payment schedule**