



## **CGA Citrus Summit 2019**

# **Update on GDC Enterprise Development Agenda**

**13 March 2019, Port Elizabeth**



# CGA GDC – Strategic Goals



## VISION

A Centre Of Excellence Empowering Black Citrus Growers in South Africa

## MISSION

Facilitate and support the establishment, growth and empowerment of profitable and sustainable black citrus growers through:

- Production infrastructure and technical support
- Business management support
- Facilitation of access to funding
- Facilitation of access to markets



# CGA GDC – Strategic Goals



**SG1** - Develop and implement a transformation strategy and support programme for the citrus industry.

**SG2** - Facilitate access to technical and business management knowledge and services to develop successful, financially viable enterprises

**SG3** - Facilitate access to national, regional and international market for black citrus growers

**SG4** - Enhance organizational capacity to ensure service excellence and financial sustainability



# Progress to Date



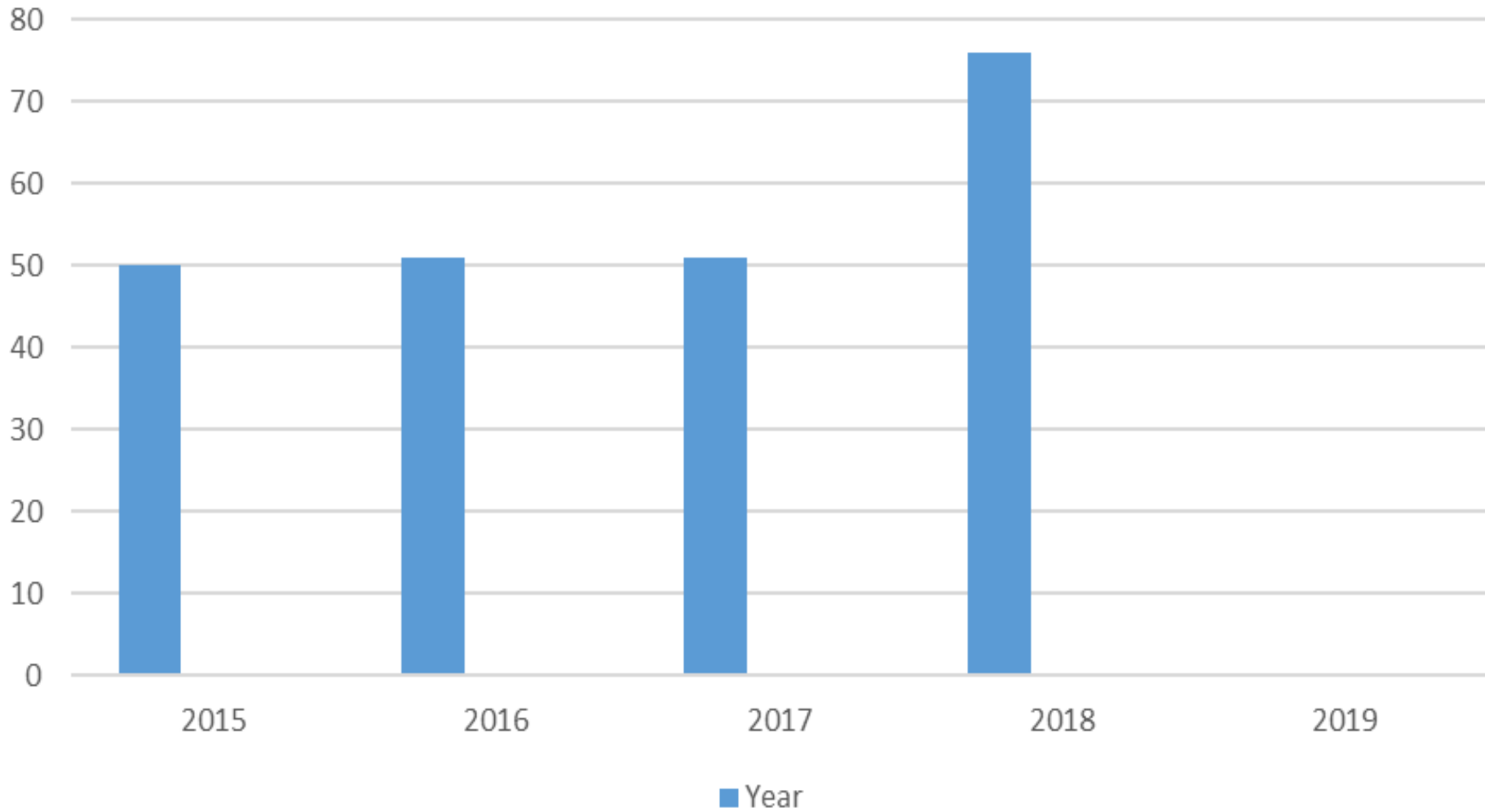
- ❖ The enterprises have grown from 118 in 2014 to 145 farms in 2018
- ❖ There are 27 new citrus entrants farmers
- ❖ The total hectares farmed black citrus growers have increased from 7 211ha in 2016 to 8 103ha in 2018
- ❖ The number of exporting farmers has increased from 50 to 76 farmers

## Specific highlights:

- Thulwane has grown from 117.6ha in 2017 to 180ha in 2018
- Mabunda has grown its export from 250 456 cartons in 2014 to 562 439 cartons in 2018



# Number of Black Exporting Citrus Growers



# Progress to Date – Business Plans

- Sixty-two business plans developed – 59 farms and 3 packhouses
- Business plan information consolidated in the form of proposals and submitted / discussed with following stakeholders:
  - ✓ DAFF office of the Deputy Minister – Access to Finance and Markets
  - ✓ DAFF and Land Bank – blended finance and jobs fund
  - ✓ Department of Rural Development and Land Reform – MOU signed for 3 projects “Catalytic projects in the fruit industry”
  - ✓ Provincial Departments of Agriculture and Rural Development
  - ✓ National Treasury – Jobs Fund



# Progress to Date – Funding Received



Funds were received from the following institutions:

- **ARC**  
2016/17 - R100 000 (10 business plans)
- **ABSA**  
2017/18 - R844 500 (SIZA project)
- **Eastern Cape**  
2017/18 – R8 000 000  
2018/19 – R9 000 000
- **CIT**  
R50 000 (3 business plans)
- **CCBSA Mintirho**  
R1 000 000 (Intro to Business Management Training - 50 farms)

Through facilitation by the CGA-GDC, the Eastern Cape Department of Rural Development and Agrarian Reform made available R54m for the development of the Ripplemead Packhouse at Pedi.



# Progress to Date – SIZA Training



- Ninety-five people from 43 farms (the target was 50 farms) participated in capacity building and self-assessment programme and received certificates
- The training was subdivided into two focus areas, for workers and owners
- Self-assessment was done to establish compliance with the eight principles of SIZA
- Results of the assessments suggest that the southern region (the Western Cape was excluded from the programme) is better in terms of the compliance with ethical standard requirements compared to the northern region





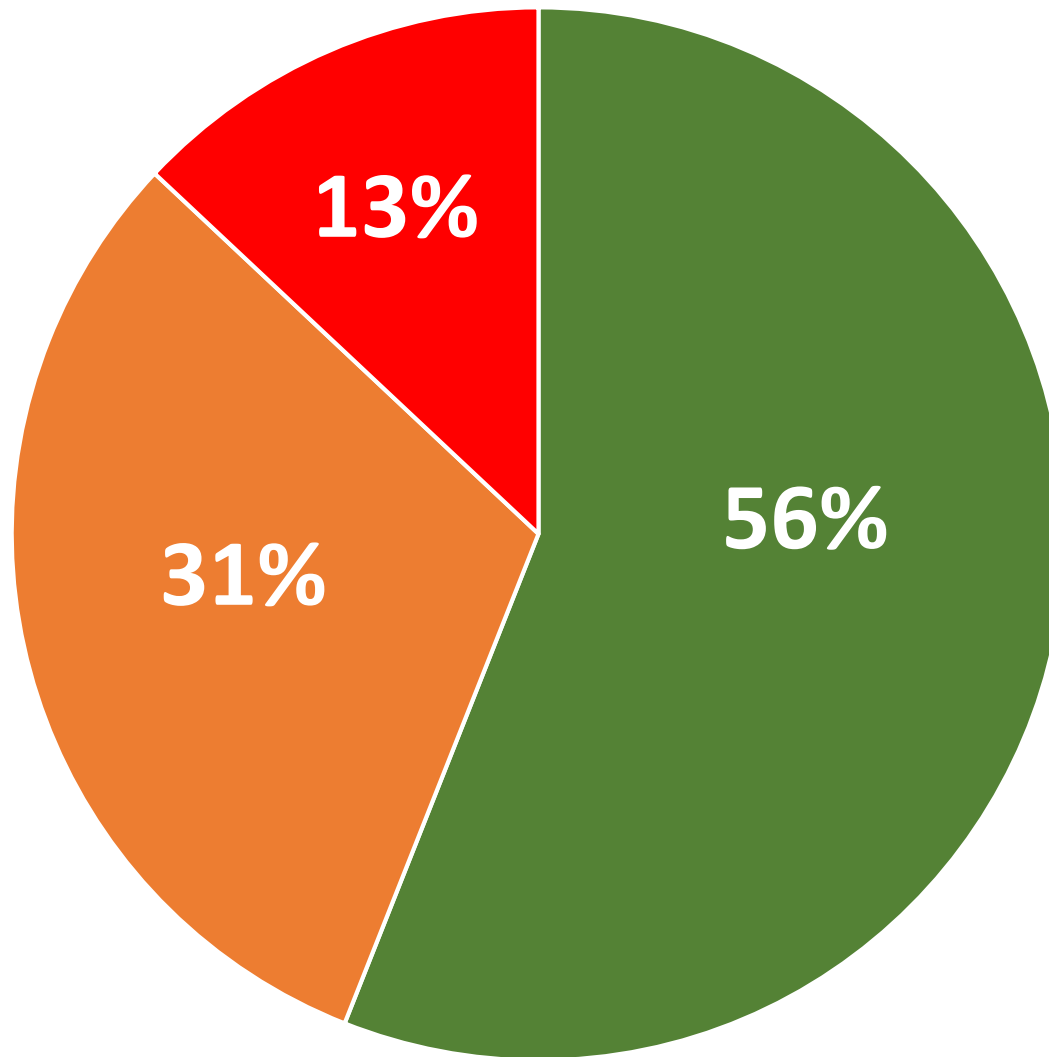
# Situational Analysis of Growers

Further assessment of the business plans indicate that our clients fall in the following categories:

- **GREEN** (81 farms) refers to grower whose farming enterprise is viable, secured markets, skilled technically and financially, good crop yields (quality and quantity), provides jobs, able to service loans, profitable. Growers are exporting or are ready to export. Enterprises have economically viable unit size.
- **AMBER** (45 farms) refers to grower whose orchards are not producing to full potential. One major limiting factors is access to finance, hence orchards are not bearing to its potential.
- **RED** (19 farms) refers to grower whose enterprise has stopped operating for several reasons (financial crisis, insecure tenure and water rights, access roads, energy shortages, dead orchards, unit size, social issues)



# Enterprises per Category



# Summary of Challenges Faced by Growers



- Access to finance
- Land ownership
- Poor governance structures
- Inadequate infrastructure – both on-farm and off-farm
- Uncertain water allocations
- Social issues, in particular farms with big structures
- Poor security on farms
- Lack of involvement along the value chain



# Summary of Challenges Faced by GDC

- Lack of commitment from some growers especially with respect to attending capacity building programmes
- Human capacity – the needs far outweigh the demand, leading to poor response handling time
- Resources – there are limited financial resources to be able to address the needs of the growers
- National and provincial government policies and programmes geared at supporting black growers are misaligned



# GDC Priority Areas for 2019



- Decision by CASP coordinator to have all CASP citrus projects vetted by GDC before funding
- Engagements with DAFF, DRDLR and Land Bank to access blended finance
- Engagements with Eastern Cape Department of Agriculture, DAFF, DRDLR and Land Bank to support application to Jobs Fund
- Pursue engagements with DAFF Deputy Minister to monitor progress and champion support
- Continue to engage Limpopo and Mpumalanga PDAs to change their funding model to accommodate needs of growers



# Conclusion

- Buy-in from provincial and national departments to change funding model (emphasis on PPP) to accommodate commodity groups
- Priority placed on agriculture as a key sector to stimulate economic growth – key export industry
- Emphasis placed on land reform especially in support of current black growers to be followed by resources
- Continued support and commitment from growers to contribute to the development of the industry





**CGA**  
**Grower**  
**Development**  
**Company**

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