newsletter

D'S NOTE

Grower

Development Company

Editor's Note

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The Citrus Growers Association Grower Development Company (CGA-GDC) is truly proud to announce some phenomenal news in our first newsletter for the year. The latest harvest records are in, and they indicate that black citrus growers have achieved a 40% increase in their production figures, in just one year.

These are welcomed news, and provide a good indication that black citrus growers are being provided with the support they need to grow their farms, produce and businesses – especially during a State of National Disaster.

The statistics from the report also revealed that several farms and black growers had increased their output by a minimum of 40 000 cartons – and a maximum of 99 000 cartons last year.

The harvest records have also shown that over 75% of black citrus growers in South Africa are currently exporting their produce to global markets, with growers in the Eastern Cape increasing their export figures by 25% last year alone. There is truly no greater form of empowerment, than ensuring black citrus growers have a wide range of market access opportunities to sell their fruit – especially when there is potential to do so and earn in a foreign currency.

Premier of the Easter Cape, Oscar Mabuyane said in his 2021 State of the Province Address "According to the Q3 Review, Citrus yielded R3.4 billion in exports in the last season [and] with the support of government, black citrus farmers grew by 25% from 2019 to 2020."

Locally, black citrus growers are making an even greater impact, with some farms increasing their output to local markets by an astounding 55% since 2019. Last year black citrus growers provided over 400 000 cartons of fruit to South African grocery stores and supermarkets, ensuring citizens with access to homegrown bags of Vitamin C.

And while black citrus growers are helping us achieve food security at home - they are also helping the state curb widespread joblessness by providing employment to over 7 000 permanent and seasonal staff. This is a phenomenal achievement - and encapsulates the adage "empowered people empower people".

These successes are a testament to the groundwork that has been laid over the last decade. The citrus industry has spent over 10 years creating structures such as the Citrus Grower Development Chamber (CGDC) to assist, guide and advise the CGA-GDC on the needs of black citrus growers, so that the GDC may provide them with the support they need to thrive. The CGDC is run by black producers who ensure that the citrus industry is committed to supporting the initiatives that will result in the establishment of an inclusive citrus industry, with a sound transformation agenda.

Our national and provincial partnerships with the Department of Agriculture, Land Reform and Rural Development have also contributed towards the successful implementation of the citrus industry's transformation agenda. Our public-private partnerships with government departments in the Eastern Cape, Western Cape and Limpopo have helped us secure funding for initiatives that are able to improve and operationalise the business entities which are owned by black citrus growers.

Over a decade of work is beginning to bear fruit and I think we are all excited to see what growth projections are forecast for the decade to come.

Lukhanyo Nkombisa

General Manager of the CGA Grower Development Company

MESSAGE CGACEU

The Citrus Growers Association of South Africa (CGA) is proud to announce that despite all difficulties, we have enjoyed a record breaking export season in 2020, with 146 million cartons of fruit being shipped to countries across the globe.

We have maintained our status as the second largest exporter of citrus fruit in the world, despite the many challenges posed by the outbreak of Covid-19. The global pandemic certainly blindsided our sector last year - but we refused to let a good crisis go to waste. We are now far better prepared to face these obstacles and can look to the future with confidence and great enthusiasm.

We've proven ourselves to be nimble, able and agile as a sector, with the ability to analyse risk and mitigate its impact through the work that is being done by our COVID-19 Response Committee (CRC).

The CRC, which was established to co-ordinate the industry's response to the pandemic last year, reconvened in January 2021 to assess the



circumstances posed by the second wave of infections which followed from the festive season in December. The CRC's key priority is to ensure the health and safety of workers across the citrus value chain, while mitigating the impact of Covid-19 on pack houses, cold stores and shipping terminals.

The aim of the CRC will be to continue to respond to the challenges faced by citrus growers, exporters and employees, while we observe the rollout of Covid-19 vaccines in South Africa.

And while we await further developments in our nation's fight against Covid-19, we can certainly look to the citrus industry to assist in the rebuilding of our economy, with crop projections and estimates looking to break even more records in 2021.



SONA PRESIDENT RAMAPHOSA CONGRATULATES CITRUS INDUSTRY FOR RECORD-BREAKING EXPORT SEASON

In his 2021 State of the Nation Address on the 11th February, President Cyril Ramaphosa took a moment to acknowledge the remarkable performance of the citrus industry in 2020, even amidst the challenging conditions of the Covid-19 pandemic.

"In 2020, we became the world's second-largest exporter of citrus," President Ramaphosa said, adding that the industry was set to grow further into 2021 with favourable economic and weather conditions.

Justin Chadwick, CEO of the Citrus Growers' Association, echoed President Ramaphosa's positive views about the citrus industry's outstanding performance, and also remains upbeat about the future of the southern African citrus trade: "A year ago, in March 2020, we predicted a bumper export season, estimating that export volumes would reach 143 million cartons of fruit. Now that the final export figures are in, we can announce a recordbreaking 2020 export season that delivered 146 million cartons of South African citrus to the rest of the world."

"These figures indicate phenomenal growth within the South African citrus industry. This achievement is the result of close collaborations and partnerships within the industry and with government and is testament to the quality of South African citrus fruit which is in demand all over the globe," said Chadwick.

While the ingenuity and commitment of growers and good rainfall certainly play a part, future record-breaking export seasons are anticipated, following the introduction of new citrus export levies, which experts believe will enable the citrus industry to grow its global market share even further. The levies will free up funds for reinvestment into research, market access and transformation, improving yields and growing capacity. As a result, the industry hopes to create even more jobs and bring in increased revenue for the country's economy over the next four years.

Estimates indicate that the citrus industry is expected to increase its exports by another 300 000 tons over the next three years. The growth projections for soft citrus, lemons and Valencia oranges alone indicate an expected additional R6.8 billion in foreign exchange earnings and the creation of 22 250 sustainable jobs in this period.

This is excellent news for the citrus industry and for South Africa as we start to emerge from the devastation of Covid-19. Growers across the country are looking forward to playing their part in rebuilding the economy and putting South Africa back on a strong financial footing.



President Cyril Ramaphosa delivers his State of the Nation Address in Parliament on 11 February 2021.

CYCLONE ELOISE FILLS LIMPOPO DAMS WITH HOPE

Cyclone Eloise, which hit southern Africa in the last week of January was declared a national disaster by the South African government. This is after the massive rainfall caused flooding in northern Kwazulu-Natal, Mpumalanga and Limpopo, where bridges and homes were destroyed, leaving thousands of people without shelter.

The cyclone also wreaked havoc in Mozambique, Zimbabwe and eSwatini.

While feeling deep sympathy for those whose lives and homes were affected by the flooding, there was a silver lining to the rain clouds for citrus growers in Limpopo, who have experienced rainfall shortages for several seasons, and where dam levels were uncomfortably low.

Polokwane, for example, has been experiencing interruptions in water supply for over two years. At one stage last year, the area was without water supply for 14 days. The Ebenezer Dam near Tzaneen reached a low of 12% capacity. Another dam in the area, the Tzaneen dam (which provides water to the important Letsitele growing region) had bottomed out at 8% capacity. Jan-Louis Pretorius, says that he had just under 150mm rainfall on his farm during the cyclone, with a further 100mm falling in the subsequent weeks. Pretorius was upbeat about the rainfall, saying he experienced "absolutely no damage to infrastructure or orchards". On the contrary, the dams surrounding the farm filled up and the fruit was growing well.

Pretorius believes the catchment areas for the Ebenezer and Tzaneen dams had substantial rain over the period, providing a much-needed top up. At the time of writing, the Tzaneen dam was over 100% full and the Ebenezer dam was at 84%. Social media was awash with videos of the Tzaneen dam overflowing, much to the joy of residents.

This joy might be short-lived, however. Limpopo residents - especially farmers and growers - recognise that their water infrastructure is crumbling and that essential upgrades have not been made that could have ensured the province's water security following the heavy rains.

Growers in the region will anxiously be looking to government for signs of whether infrastructure will be taken care of to ensure water security going forward.





TRANSFORMATION INITIATIVES IN THE CITRUS INDUSTRY

Transformation and inclusive growth remain fundamental objectives of the organised citrus industry. The CGA's Grower Development Company consistently seeks to facilitate, support the establishment and empowerment of black citrus growers to ensure the sustainable growth of their enterprises within the sector. The CGA-GDC has committed itself to do this by assisting black citrus growers with:

- Production and water infrastructure,
- Technical support and business management support to assist growers with the commercialisation of their fruit in South African stores,
- Achieving regulatory compliance, to become accredited exporters to the global market,
- Ensuring the inclusive participation of our growers in the citrus value chain,
- Upskilling of our growers,
- Providing growers with international and local market access information, and,
- Increasing hectares and export volumes from black citrus growers.

These initiatives are partly made possible by the new statutory export citrus levy, gazetted In December last year by Minister Thoko Didiza. The levy will be funded by 1 250 citrus growers over the next four years with 20% of the new levy being allocated to the development of black citrus growers and their meaningful, lasting participation in the sector.

This funding will be invested in the CGA's recently finalised four-year Transformation Plan, which will be implemented in 2021 through the CGA-GDC and Citrus Academy. The plan will focus on:

- The provision of enterprise and supplier development programmes to black growers,
- The provision of skills development programmes to black growers,
- The roll-out of socio-economic development programmes in rural communities,
- Ensuring the sustainable growth of black owned enterprises and,
- Greater representation of black growers in industry leadership positions.

The CGA-GDC will continue to strive to be the vehicle which addresses and solves the challenges faced by black growers - with its prime objective being to make a significant impact on the transformation of the citrus industry.



ORANGE HEART FRUIT DRIVE IN 2021

The Citrus Growers Association's Orange Heart Fruit Drive saw the citrus growing community around South Africa offering amazing support for the destitute in 2020, and pledges for donations for the 2021 season continue to stream in.

The national lockdown in response to the Covid-19 pandemic brought an unprecedented wave of economic hardship to South Africans. In the darkest hours of the lockdown, over 2.2 million jobs had been lost across the country. Each of these jobs represented a family that was at risk of going hungry.

In response to the emerging crisis of poverty, the citrus growing community decided to band together and do something to alleviate the plight of the poorest South Africans. Under the banner of the Orange Heart Fruit Drive, the CGA's corporate social responsibility program, over 1 500 tonnes of citrus fruit were donated by South African growers. That is the equivalent of about 16.5 million oranges.

The collected fruit was distributed to needy families

across South Africa through various organisations set up to feed the hungry and alleviate poverty.

Sive Silo, the project's coordinator says, "It has been so heart-warming to see the levels of support for the Fruit Drive amongst our growers. What is clear is that we have some incredibly special people in our growing community that take looking after others in their time of need very seriously. It is amazing to be part of such a caring farming community."

The CGA plans to repeat the Fruit Drive in 2021, and a page has been opened on the CGA website where growers can go to pledge their contributions for the current season. "We are calling on all fruit growers - not just citrus - to pledge their support to the project this year. Any type or quantity of fruit will be welcomed with open arms and distributed to hungry South Africans", Silo says.

Organisations, farms or growers willing to make a contribution are asked to pledge their support on the website.

