

ED'S NOTE

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The latest GDC newsletter is published just as citrus export season has reached its midpoint. Across the country, export citrus grown by developing growers are on their way to markets in Europe, the US, the Middle East and Asia. There are a lot of proud Black growers this season.

This letter also comes after historic election results that saw the formation of a Government of National Unity. As we enter to the seventh administration as the country it will be important that our new government prioritises transformation and inclusive participation of black developing producers.

A priority should be the correct monitoring and quantitative tracking of how much real transformation has taken place.

I write about the governmental opportunities and challenges facing agriculture in a piece in this newsletter.

Apart from looking forward, the newsletter also looks back – remembering a true giant of the citrus industry, Dr Sam Motsuenyane, who tragically passed away recently. In acknowledging his legacy, we should all be inspired to follow in his footsteps.

It is also the spirit of leaders like Dr Motsuenyane that is kept alive through gatherings and engagements such as the CGA Transformation Indaba, held recently in Johannesburg. Read more about the event and how necessary true wide-ranging discussion of transformation challenges are in another article.

We have shared many success stories through our newsletters, and in this edition the story of Easy Farm is told. A look at the remarkable Limpopo farm shows what is possible.

The themes touched on in this letter – unity in government and elsewhere, building on the success of forebears, discussion and decision making about the importance of representation, and honouring the successes already achieved – shows why it is so important to keep transforming the citrus industry. We have achieved so much, and can do so much more.

Lukhanyo Nkombisa is the General Manager of the GDC

MESSAGE FROM THE CGA CEO



The 2024 season so far has been a very unusual season.

Firstly, drier and warmer conditions caused fruit sizes to be somewhat smaller. Secondly, very good local juicing prices made more growers move their produce to processing. Thirdly, extreme weather impacted growers in the last few months, with floods in the Western Cape, strong winds in the Eastern Cape and freezing temperatures in Limpopo.

The effect of these circumstances on the export estimate figure was clear. It was revised downward a couple of times in the past quarter.

South Africa is still set to export a significant amount of citrus this year, but because of unforeseen events, the initial estimate of over 180 million 15 kg cartons will not be realised. Whatever unusual factors the current season might throw into the mix, the broader growth trajectory for our industry remains impressive. In the seasons ahead, more and more citrus will be produced thanks to new plantings, and our efforts are in securing market access for our growers and then getting the millions of cartons of citrus to the ports.

Southern African citrus is globally recognised for its quality. Recently, Mozambique's citrus industry has taken a significant step by joining the CGA. In joining the CGA, Mozambican farmers will now have access to a wealth of expertise and support. We are now a united Southern African group – including Namibia, Botswana, Eswatini and Zimbabwe.

Another remarkable achievement in the past quarter which must be noted is the historic decision of the South African government to request the establishment of two panels to rule on a trade dispute at the World Trade Organisation. The panels were formed to examine what are unscientific and discriminatory measures placed on citrus imported from South Africa by the European Union (EU). One panel was formed on Citrus Black Spot (CBS) and another on FCM (False Codling Moth).

Developing citrus growers are especially hit hard by the current unnecessary EU measures. It has significant implications for livelihoods and jobs in many rural areas. Ensuring that fair and scientifically accurate trade measures are imposed will assist the broader transformation project that the citrus industry has been engaged in for many years now.

Regardless of the ups and the downs, and all the surprises that a season might hold, one thing remains a constant in our industry: the resolve and resilience of the grower. Whether they are emerging or established, flourishing or struggling, exporters or producing for the local market, they face the challenges of the season with strength.

Whatever challenges may veer up in the next quarter, our industry has shown that we can adapt and improve.

Justin Chadwick is the CEO of the CGA



TO TRULY COMMERCIALISE BLACK FARMERS WE NEED A GOVERNMENT WITH A UNIFIED VISION

It is essential for the future of South Africa's agricultural sector that we create realistic and actionable pathways for more and more black South African farmers to become sustainable commercial entities.

The recent budget vote speech by the Ministry of Agriculture John Steenhuisen signalled a critical opportunity to reshape the trajectory of South Africa's agricultural sector.

He said that "we must empower new entrant farmers to become self-sustainable and productive as quickly as possible." The CGA Grower Development Company fully supports this.

Central to the revitalisation should be a profound shift in focus towards cooperation and coordination. Achieving transformation necessitates a multi-faceted approach that encompasses land reform, access to finance, access to resources like water rights, skills development, access to working infrastructure, and links to markets. The fragmented nature of farmer support initiatives represents a significant challenge. Currently, various grower organisations and government departments on national and provincial level have distinct interventions to assist farmers. But a lack of coordination and alignment have hindered their effectiveness in some cases.

A practical solution to this would be to establish a comprehensive farmer support system, where all stakeholders - government, commercial and organised agriculture, and private institutions like banks - work together to achieve transformation goals.

This system should be underpinned by clear and measurable targets. The Department of Agriculture must set ambitious yet achievable goals for the next five years, with annual targets to track progress. A key metric should be the number of black producers successfully commercialised. Minister Steenhuisen will have to coordinate with relevant national departments, such as the Department of Trade, Industry, and Competition, the Department of Water and Sanitation, the Department of Land Reform and rural Development, as well as financial institutions like the Land Bank and commercial banks and Small Business and Development.





It is crucial to recognise the diverse needs of farmers, ranging from small-scale producers to commercial enterprises. As such, a survey or database should be created that classes growers into various categories, based on their size and needs. Programmes and support mechanisms must be tailored to address the different challenges faced by each category. This could include providing access to markets, helping with accreditation, and financial resources.

The funding mechanism to black farmers should be nuanced. New and small-scale farmers might not be able to achieve their goals without government or industry grants. But as farmers grow in size, skill, and business acumen, their funding requirements change. Careful thought should be given to when to allocate zero-rated loans, project-specific grants, preferential pricing, or a combination of these.

To achieve a practical and achievable transformation plan, a strong partnership between the government and the agricultural industry is essential. The knowledge and experience to achieve this already exist in the industry.

At the CGA Grower Development Company we have a track record of working on farming extension programmes, on business development for farmers, on market readiness and access and collaboration with various funding institutions. We understand our farmers and their needs.

Lukhanyo Nkombisa



IN MEMORIAM DR SAM MOTSUENYANE

We were deeply saddened by the passing of Dr Sam Motsuenyane earlier this year. Dr Motsuenyane was a passionate citrus farmer whose life was dedicated to the development of black-owned businesses.

In 2002, he established the Winterveldt Citrus Project with the late Philip Kgosana. By 2009, this project had planted more than 55,000 Valencia trees to provide fruit to major retailers and for juicing purposes. Even in the face of challenges, his vision was that by working together, the black farmers of the area could transform their smaller holdings into bigger collaborative industries with an eye on supplying the South African and international markets.

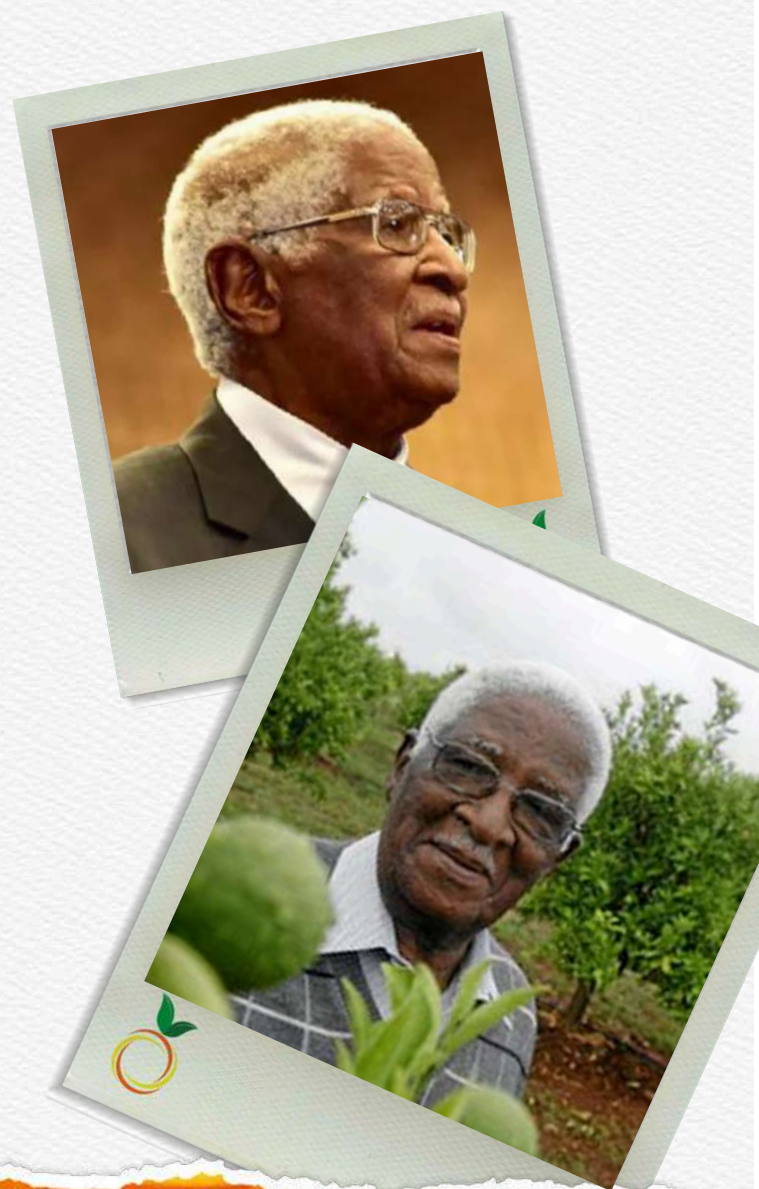
Dr Motsuenyane was a leader and role model for developing citrus farmers. His work over many years not only inspired black growers to have more ambition with their operations, but also ensured that they had a seat at the table where it matters.

It is impossible to fully list Dr Motsuenyane's accomplishments and contribution to transformation in South Africa. He was the co-founder of the National African Federated Chamber of Commerce (NAFCOC) in 1964 and served as its president for over two decades, championing the rights of black-owned businesses during apartheid. He played a role in negotiations to end apartheid and was a member of South Africa's first democratically elected parliament. He later served as ambassador to Saudi Arabia.

In life, he founded the Dr Sam Motsuenyane Foundation, a not-for-profit organisation that empowers individuals and communities in rural and township economies. Beyond that, his legacy survives in the citrus industry, as many of the growers he inspired in his life are now also working to develop the next generation of growers and leaders.

While we grieve his passing, we are also thankful for all that Dr Motsuenyane has done for our industry. He leaves us much to celebrate – dedication, hard work, fighting for what is right, and also that which flows through the veins of all farmers: a deep love for the land.

Andrew Mbedzi





TRANSFORMATION INDABA CHARTS CITRUS' WAY FORWARD

On 19 June the CGA, the GDC, as well as all other CGA-related companies met in Johannesburg for our Transformation Indaba. The goal of the gathering was to assess how far we have come in our ongoing efforts to make the industry as inclusive as possible, and to start to map the way forwards for further and sustained transformation.

Chairman of the CGA, Gerrit van der Merwe, welcomed all the role-players, which included many Black growers. He thanked everybody for taking the time, during the busy middle of the season, and map the way forward. It showed their commitment to the ongoing process, he said.

While there has correctly been a focus in the past on the details of increasing black ownership, a point of discussion was also how to more precisely quantify the amazing strides made by the citrus industry in other transformation areas - such as joint ventures, training, career advancement, and the opportunities created further down the value chain.

A presentation by Mmatlou Kalaba (from the Bureau for Food and Agricultural Policy) and Yolanda Ntlakaza (from the GDC) gave an overview of the state of black-owned citrus farms in South Africa. The citrus industry, and Black farmers, face a number of challenges - from rising input costs to unfair European Union (EU) trade regulations - that are placing growers under pressure. But the overall growth potential of the industry still places it in a truly unique position. South Africa has an international reputation for quality citrus, yield is set to increase considerably over the next few years and our resilient farmers have proven themselves to be highly adaptable - whether handling loadshedding or logistics issues.

As such, black grower development is not only a moral imperative, but it is an economic opportunity. Investment in Black growers will eventually generate foreign export revenues and create jobs. Citrus orchards take a number of years before they bear fruit, so creating a bridge of financing that carries growers until profitability is essential.





TRANSFORMATION INDABA

In this way, not only the CGA, but other institutions such as the government and banks play an important role. The GDC has been actively making the case for the investment potential of citrus growers for years and will continue to do so at every opportunity.

One of the citrus growers at the Indaba was Siseko Maqoma, from the Eastern Cape midlands. His highly successful Gonzano Citrus grows predominantly navel oranges. "Gatherings like today gives us direction and common purpose. Everybody is pulling together. It is an incredible resilient industry, we all hang vas, we keep going," he said.

"I am always hopeful, but more so today. Positive engagements and commitments are important," Maqoma continued.

He was specifically passionate about what a meaningful resolution to the EU trade consultations at the World Trade Organisation might mean for black growers in South Africa. South Africa has brought a case before the WTO about the EU's unscientific regulations regarding Citrus Black Spot (CBS). "If the CBS matter is resolved once and for all, it would be incredible for our business. We export to the EU. The direct costs involved in meeting those unnecessary requirements are right crippling to many people in the industry."

Another focus of the Indaba's discussion was the importance of increasing yield per hectare for developing Black growers. The GDC's efforts to facilitate grower optimisation is central to developing the industry.

The Indaba was a platform through which future priorities were identified and a strategic team was established that would take these priorities and formulate a strategy for implementation.



Siseko Maqoma





SUCCESS COMES EASY - WITH HARD WORK

Contrary to its name, Easy Farm, also known as Muka-Tangi citrus farm, is a testament to the hard work and dedication required in agriculture. Located in Thulamela local municipality under Vhembe district, Limpopo province, the farm is managed by Mr Lavhengwa Nemaorani, who took over after his father's passing in 2019.

Acquired through the government's PLAS program, the 217-hectare farm boasts a diverse citrus orchard, including Newhall Navel, Navel Bahiana, Duroi Valecia, Turkey Valencia, Delta Valencia, Midnight Valencias, and Benny Valencia varieties. Additionally, the farm cultivates bananas and mangoes.

Mr. Nemaorani emphasizes the significant role his father played in initially developing the farm without the backing of financial institutions. He credits his parents for mentoring him and instilling a strong work ethic. This legacy is evident in the farm's success and Mr. Nemaorani's determination to expand its operations.

Under the current management, Easy Farm has charted its way into international markets. Currently the farm exports to the EU, UK, Russia, the Middle East, and China. The farm has benefited from industry support, particularly from CGA-GDC, through training, extension services, research, and funding. Government recapitalisation grants have also contributed to the acquisition of essential machinery.

Despite the farm's achievements, Mr. Nemaorani acknowledges the ongoing challenges and the need for further support. Through perseverance and a deep-rooted passion for agriculture, Mr. Nemaorani continues to build upon his father's legacy, demonstrating that farming, while undeniably challenging, is ultimately a rewarding endeavor.

Mr Nemaorani says: "In English there is a Proverb that says, 'like father like son' (in Venda 'Nwana Wa Mbevha ha Hangwi Mukwita') and this proverb has been repeated by Thomas Draxe. I think I had a good mental picture that I had copied from my parents who mentored me."

Melton Mulaudzi





BURSARIES AND ENTERPRISE FUNDING AVAILABLE - APPLY NOW

The Citrus Academy offers financial assistance to both independent individuals, as well as individuals who apply via citrus growers.

The Citrus Academy Bursary Fund was established in its current form at the beginning of 2006. The purpose of the Citrus Academy Bursary Fund is to provide young people with opportunities to obtain the necessary knowledge, skills and exposure to allow them to enter the citrus industry and engage in long and fruitful careers. Bursaries are awarded to students in citrus-related study fields, divided into three categories: postgraduate studies, undergraduate studies (from second year onward) and BEE bursary support. Any agricultural course relating to citrus production is valid, as well as courses related to the agricultural industry such as logistics, entomology, and other fields necessary in the commercialisation of citrus farms.

Any citizen of South Africa, Swaziland or Zimbabwe who is studying a course related to agriculture at a recognised tertiary institution in South Africa can apply.

Applications will be rated according to various criteria, including BBEE status, field of study, previous academic performance, financial need, work history or relationship to the citrus industry, gender and disability. Female candidates are encouraged to apply. Similarly, the Citrus Academy assists black economic empowerment citrus enterprises to develop their internal capacity, by providing financial support to persons related to the enterprise to access quality formal education. For an enterprise to qualify for this funding, it should be a citrus enterprise that is BEE compliant as per the appropriate government regulation. This funding is available to many types of enterprises, including those owned or part-owned by previously disadvantaged individuals, community trusts, worker trusts, or a member or members of community that have benefited from land restitution.

Qualifying enterprises may be able to support their owners of employees in further studies with the assistance of the Citrus Academy. Both the Citrus Academy and enterprise will co-sponsor the bursary. For full details of the enterprise funding application can be found on the Citrus Academy's website: citrusacademy.org.za

Applications for both the bursary programme and enterprise funding are open until September 15, 2024.