

South Africa flags issues in Eastern Cape citrus and macadamia projects

A draft parliamentary oversight report by South Africa's Agriculture Portfolio Committee states that agricultural projects in the Eastern Cape are facing operational challenges linked to systemic government failures. The report indicates that these issues have affected the development of a black-owned citrus and macadamia sector in the province.

According to the draft report, some farmers involved in these projects face debt and operational uncertainty rather than achieving the commercial outcomes initially expected.

The report points to challenges in the relationship between government-funded infrastructure and growers. In the Sundays River Valley and Ngqushwa areas, emerging citrus growers report high packing fees and deteriorating road infrastructure that affects fruit quality before reaching packing facilities.

A key finding relates to financial transparency. Zwelakhe Mthethwa, a member of the portfolio committee, said farmers lack insight into packhouse operations.

"The observation is that all the pack-houses are operating in secrecy from those from whom they are receiving stock. The internal happenings are not known to the farmers," he said.

Committee discussions identified several factors affecting project performance. These include delayed funding and cash flow constraints. The Ncera Macadamia project, which received approximately US\$10.5 million (R195.7 million) in state funding, attributed operational problems to delayed government payments, which led to labour disputes and salary delays.

The report also notes cases of infrastructure vandalism following labour disputes linked to funding delays. In some instances, infrastructure was damaged or stolen, affecting production.

Land ownership documentation is also cited as a barrier. The report states that some farmers have been waiting for title deeds since 1988, limiting their ability to secure bank financing.

The committee also raised concerns about partnership structures linked to government-supported farms. According to the report, some strategic partnerships have not transferred skills to farmers and have resulted in financial obligations once public funding ended.

Laetitia Arries, another committee member, called for a financial review of the Ncera project.

"We have never seen the financials of this project, and we actually need to get a forensic financial audit. We need to see on the financials how that money was really spent because it's money that the national government was giving," she said.

The committee has recommended a coordinated response involving multiple government departments. Chairperson Dina Pule said the Minister of Agriculture should provide a full account of funds allocated to the Ncera project and implement recommendations from the September 2025 Due Diligence Report.

"The rescue plan also requires the minister to develop an action plan to address market access, the poor condition of rural roads, and inadequate insurance for farmers.

"This includes working with the minister of land reform and rural development to investigate and review the forced mentorships and strategic partnerships on PLAS farms that reportedly leave emerging farmers indebted and worse off," Pule said.

Source: Food for Mzansi (<https://www.foodformzansi.co.za/failing-farms-collapsed-state-projects-trap-ec-farmers-in-debt/>)

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