

Transformation in SA citrus industry

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Citrus production is a long-term investment, requiring technical expertise to ensure profitability. As a result, new entrants to the industry need to be trained, educated and mentored in order to become competitive and sustainable.



The Summit takes place from 8-9 March at the Boardwalk Hotel in Summerstrand, Port Elizabeth.
Photo: FW Archive

By Denene Erasmus

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This was according to Justin Chadwick, CEO of the Citrus Growers' Association (CGA). During the second week of March the CGA will host the **2017 Citrus Summit** and one of the topics to be discussed at the event is transformation in the SA citrus industry.

According to Chadwick, there are some significant barriers to entry that must be considered when planning transformation projects.

"Tree crops in general do not lend themselves to new entrants into the industry. For citrus, it takes about three to five years before the first sale – and 10 years to break even. Only thereafter is a return made," said Chadwick.

But this return is not guaranteed.

"There are immense risks in both production and in the market. With little or no reserve to fall back on, new entrants are at more risk than established farms," Chadwick told *Farmer's Weekly* in an interview.

Citrus farming, he added, is highly technical and to produce export class fruit requires special skills. “Since 85% of revenue earned by the industry is in the export sector; relying on the local market is seldom sustainable.”

Recognising these challenges the CGA has created the CGA Grower Development Company (CGAGDC) to provide support to new entrants to the industry.

The CGAGDC is staffed by experts in the field of citrus production and business management.

Through the CGAGDC a needs analysis has been conducted on 125 black-owned citrus entities to see what interventions are necessary to ensure sustainability and profitability.

“The hard work starts now as the new company addresses these needs,” said Chadwick.

