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San Miguel creates BEE partnership in RSA

Workers will own a 30 per cent stake in the US\$14m company Thudana Citrus

San Miguel has set up a new citrus company in South Africa under a shared ownership scheme with its employees, in line with the South African government's integration and rural development initiatives.

A 30 per cent stake in Sundays River Valley-based Thudana Citrus will be owned by the company's 120 workers.

"Empowering communities and promoting the prosperity of their collaborators is a firm commitment of San Miguel in all the regions where it operates," the company said, adding that new shareholders would receive support and training in their new role as owners.

"This initiative not only delivers a farm to our employees. Thudana Citrus is a complete citrus operation, and our objective is to empower the community in the long term through of education, training and the unique opportunity to become a transcendental part of a fully functioning citrus company," said Andries du Preez, San Miguel's country manager in South Africa.

The San Miguel project falls within the framework of the Promotion of Black Economic Empowerment law, part of South Africa's 2030 National Development Plan which seeks to address the inequalities suffered by black South Africans as a result of the Apartheid regime.

The assets of Thudana Citrus are valued at R200m or US\$14m. In addition to the 30 per cent owned by the workers through the Thudana Citrus Trust, San Miguel will retain a 40 per cent stake and will set up an investment fund with the remaining 30 per cent share of the new citrus company.

The company will be overseen by a Board of Directors made up of representatives of San Miguel, the workers and the investment fund. Three worker representatives have been appointed as independent directors and will work with the members of the Thudana Citrus Trust on key decisions.

In addition, San Miguel has set up a programme of training and development workshops for beneficiaries, which will cover specific topics such as how to operate a trust, as well as more general issues such as how to run a citrus company and leadership skills.

San Miguel is the biggest Southern Hemisphere citrus producer and distributor, with almost 10,000ha of production in Argentina, Uruguay, South Africa and Peru.

The company handles around 400,000 tonnes of citrus a year, as well as 150,000 tonnes of other fresh fruit.