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Citrus Growers invest R40 million in black enterprise development

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Source: Fruitnet

The Citrus Growers Association Grower Development Company (CGA-GDC) has invested R40 million in grant funding for black citrus growers' enterprise development across South Africa in 2022.

The CGA-GDC said in a statement that the grant funding had provided support to growers for the purchase of key production inputs, including fertiliser and chemicals, required for farming. The funding was provided through the organisation's Enterprise Development Grant Fund (EDGF).

"This is critical following exorbitant price hikes across a number of farming inputs this year, with fertiliser prices increasing just over 56% between 2020 and 2021, due to tight supplies, rising raw material costs, increased demand, logistics constraints, and high freight rates. These price increases have hit smaller black growers the hardest," the CGA-GDC said.

By supporting these growers with funding for these critical inputs, the organisation hopes to help mitigate the impact of other industry-wide challenges affecting the sustainability and profitability of developmental farms in the sector. Some challenges

included reduced market access, including the highly stringent and costly phytosanitary regulations applied by the EU, decaying public infrastructure, erratic electricity supply, and a “devastating decline” in real export prices.

“With industry experts forecasting that less than 20% of the industry is likely to achieve above break-even returns at the end of 2022, it is clear that the support and assistance offered to smaller developmental growers will remain critical if we want to ensure the long-term survival of their businesses within the sector,” the organisation said.

Long term, the EDGF will assist developmental growers with the capital required to procure production infrastructure, machinery, equipment, and a range of horticultural products. The grant also aims to assist growers with the costs associated with the accreditation required towards the commercialisation of their fruit for export.

In Limpopo, the EDGF assisted in the successful establishment and growth of Manini Holdings, owned by citrus grower Thabo Moripane. Moripane will use his grant funding to purchase inputs to support his planted citrus trees, while he works towards establishing an additional 70 hectares (ha) of citrus, including 10 ha of Leanri soft citrus, 10 ha 2PH seedless lemons, 40 ha pr ARC Nadorcott, and 10 ha Maayana soft citrus.

“The CGA-GDC hopes to continue empowering developmental growers in this manner, by allocating R141 million in EDGF funding between 2021 and 2024,” the organisation said.

The funding for the grants is collected through an export levy paid annually by CGA members, which is then allocated through direct payments to service providers towards the successful enterprise development of black citrus growers and producers.

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