OPINION

LUKHANYO NKOMBISA: Black citrus growers in urgent need of state support

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by LUKHANYO NKOMBISA

Rural development & land reform minister Thoko Didiza at a citrus farm with farm manager Khaya Katoo in Hankey. Picture WERNER HILLS

The local citrus industry has achieved remarkable growth over the past few years, with 164.8-million cartons of fruit packed for export across the globe in 2022. By 2032, the sector aims to export an additional 260-million cartons a year, contributing 240,000 jobs and R50bn in revenue annually to the SA economy.

Underpinning this vision is the real and sustainable transformation of the industry and the growth of black-owned citrus farms in the country. That is why as part of this longer-term goal, another target has been set, which is 50-million cartons of citrus being exported by black citrus growers by 2032.

There are 124 black-owned citrus operations farming 7,869ha of citrus across the country. Encouragingly, their yields have grown exponentially over the past three years, from just over 2.4-million cartons in 2020 to just over 15-million cartons in 2022. However, it is clear that there is a lot of work to be done to achieve the 50-million carton target by 2032, with partnerships and close co-ordination between government and other role players key to this success.

This target has been set at a time when many black citrus businesses are in severe distress due to challenges that have hit the industry and which have affected black growers more acutely, while they continue struggling to overcome threats to their operations.

Sector-wide challenges include soaring input costs, transport and freight rates, labour unrest in some farming areas, power outages, and the new EU false coddling moth regulations that will result in R500m in losses for growers this year alone. Threats specific to black growers include limited access to working capital from banks and government programmes; insufficient Enterprise Development Fund support; land tenure and water authorisation constraints; export agents pulling out from production credit; and a lack of market access due to compliance.

As a result, a large number of black growers face high levels of debt and uncertain futures.

It is clear that black growers need urgent support, which is why the CGA Grower Development Company (CGA-GDC) welcomed announcements by agriculture, rural development & land reform minister Thoko Didiza in her budget speech in parliament regarding support to small-scale farmers through various government programmes. These include R2.15bn being allocated through conditional grants to the comprehensive agricultural support programme and Ilima-Letsema programmes and R19m allocated to the micro agricultural financial institutions of SA loan programme.

However, while we are grateful for the state funding that has been provided to farmers from the national department, in the Eastern Cape and Western Cape over the past few months the reality is that black citrus growers find it extremely difficult to access financial support through government programmes due to onerous application processes and delays often seen at a provincial level.

At an industry level, the CGA-GDC continues to provide assistance to black growers through a number of programmes, including: facilitating access to finance, including over R150m raised through citrus grower levies being allocated to support black grower farming operations from 2021 to 2025; the provision of extension and technical support; and business and market accreditation support.

But we recognise that this alone will not save the many black- owned citrus operations that are on the brink of collapse. It is therefore critical that government and the CGA-GDC come together to develop a comprehensive programme that provides an urgent lifeline to these growers by delivering services on a cost-sharing basis that include: orchard expansion; mechanisation; the supply of fertilisers and plant protection material; the supply of packaging and marketing material; energy and diesel; and support to gain accreditation for key market access.

To this end, we are excited about the citrus production scheme that the CGA-GDC is developing in partnership with the National Agricultural Marketing Council and the department. This process forms part of the rollout of the agriculture and agro-processing master plan, which includes the commitment of establishing production schemes that will increase the industry share of black farmers from 9% to 19% by 2032 and in this way, these farmers will create 4,881 new jobs.

The CGA-GDC looks forward to continued constructive discussions with Didiza and her department on how we can work together to provide much-needed assistance to struggling black citrus growers during the current export season to ensure their short and long-term survival and the ongoing sustainable transformation of the local citrus industry.

• Nkombisa is GM of the Citrus Grower Development Company.