

CITRUS TRANSFORMATION NEWS

For the CGA Grower
Development Company



ED'S NOTE



The agricultural sector has been 'called up on stage' by the nation. Not only did the sector deliver exceptional economic performance in 2017, it continues to contribute to food security for the >56 million South Africans who rely on us. You've had a part in this.

Stats SA confirmed that the agricultural sector grew by 37,5% during the fourth quarter of 2017, a significant contribution towards SA's economic growth of 1,3%, which exceeded National Treasury's expectation of 1%.

We concluded our 2018 Roadshow on 13 March 2018, in the KZN Midlands, having enjoyed two taxing but rewarding weeks with our growers in the Boland, Western Cape, Oranje Rivier region, Kakamas, Musina, Letsitele, Hoedspruit, Senwes, Zimbabwe and Pietermaritzburg. The industry mood appeared to be optimistic in general, with a clear understanding of the challenges and solutions.

The Citrus Growers' Association (CGA) team was very well received by their hosts, and growers turned up in their numbers, to engage in robust discussion around what to expect in 2018. It was clear that water shortages and the effects of the ravaging drought are at the forefront of growers' minds (with Nelspruit feeling the impact acutely).

The CGA team found that spending a full day in each region provided valuable time to visit local orchards and packhouses, and to chat informally to producers. Large numbers of new orchards of lemon and mandarin cultivars have been planted in each region, with growers navigating mixed feelings of optimism and concern around volume growth.

We thank these generous sponsors of food and refreshments for the roadshow: Nedbank, Felco, Inteligro, ABSA, Mac Intermodal, River Bioscience, Hoedspruit Farmers Club, Kaap Agri, Noordchem, and Novon/Arysta.

Consumption trends

As far as citrus consumption trends go, Japan tops the consumption of soft citrus, but ranks very low for oranges and lemons. The EU's top consumption is oranges and

lemons. And for oranges, Canada follows the EU closely, but grapefruit consumption lagged other Eastern destinations and the USA. The latter, as well as Canada are also significant consumers of lemons.

The CGA Board

Pieter Nortjé has stepped down as Chairman of the CGA, after six years of leadership. We welcome Ben Vorster as the incoming Chairman. Pieter leaves an indelible mark of dedication to problem-solving, great foresight and focus – he built a true legacy of growth. And he remains as a member of the Executive Committee, in the position of Vice Chairman. A newly created Vice Chairman position has been filled by Cornel van der Merwe.

Bertus Dilman also resigned from the Board as representative of Limpopo River, to be succeeded by Guy Whitaker. The CGA-GDC continues to work closely with the CGA to realise our communal industry goals.

Thuma Mina

The past couple of months have been an eventful ride for our country. We have a new president in Matamel Cyril Ramaphosa, and we're all cautiously optimistic of positive economic growth, and a better life, especially for the poor.

With our country reeling from the worst drought in 100 years, you – our growers – have continued to produce export-quality citrus, showing a lot of courage. We commend you for your tenacity.

So, when President Ramaphosa made reference to Thuma Mina (a song by the late Hugh Masekela) during his State Of The Nation Address, it resonated. Let us be spurred to play our individual part – in whatever small way – to help heal our land.

And remember, we want to hear from you. So, please let us know your ideas, concerns, or whatever else is on your mind.

General Manager: CGA-Grower Development Company

BUSINESS MANAGEMENT SUPPORT

SIZA (Sustainability Initiative of South Africa)

In 2017, the CGA-GDC identified 50 black citrus growers to participate in the SIZA programme – 20 from Limpopo, 17 from Eastern Cape, 6 from KwaZulu-Natal, 4 from North West, 2 from Mpumalanga, and 1 from Gauteng. Ninety-four people participated in the training, including representatives from farms and advisory services (private and government). Nine people from government and

two from private companies made up the advisory services representatives – this service is critical in supporting the farmers post-training, thus ensuring that the gaps identified during the training are attended to.

Of the forty-two farms that benefited from training, thirty-nine have been registered on the SIZA platform.

The CGA-GDC looks forward to increasing the number of black growers trained on the SIZA platform. SIZA aims to instill ethical and environmentally sustainable trade by monitoring environmental care, and compliance with labour legislation.

Lukhanyo Nkombisa has been asked to sit on the board of SIZA to represent the smallholder producers, and he looks forward to playing his part to help ensure increasing levels of compliance amongst our black growers.

ROADSHOW

Restrictions around citrus black spot and false codling moth took centre stage during the roadshow, and growers expressed confidence in the risk mitigation strategy, to mitigate the FCM interception rate in the EU. In each region remarkable support and appreciation was shown for the CGA's work in each region.

A number of commercial growers showed true commitment to supporting the CGA-GDC's transformation drive – pledging support for existing development programs, through mentorship and farm visits. This will bode very well for elevating the CGA's profile as a key driver of transformation within agriculture.

The roadshow presents a great opportunity for the CGA to give you – our growers – the support you need to be able to produce optimally; important industry updates; as well as to listen to your feedback.

The core message to growers during the roadshow was to call the growers to continue to comply doggedly with the risk mitigation strategy, and to continue to be personally accountable. The production of export quality citrus, under conditions that comply with EU trade regulations is critical to maintaining good trade relations (especially with the EU).



CITRUS IN THE PRESS

The citrus industry has much to be optimistic about. Stats SA confirmed agriculture as the leading contributor to our GDP growth in 2017. The sector grew by 17.7 percent, despite weathering the worst drought in 100 years. And it was this contribution that helped cement the economy's 1.3 percent growth that exceeded Treasury's forecast of 1 percent.

Many South Africans will agree that watching President Ramaphosa deliver his maiden state of the nation address recently, against the backdrop of previous iterations of the same speech, was a case of comparing apples and oranges.

While we have a literal vested interest in oranges (as well as the entire citrus value chain, with its resultant jobs), the glaring difference in governance and approach reaches beyond the idiomatic and touches every single South African. But allow me to demonstrate how a Ramaphosa-led government could be good for oranges, in both the literal and figurative sense.

Figures from the Bureau for Food and Agricultural Policy (BFAP) confirm the significance of the citrus industry as a global player, comprising 9 percent of global market share. In this sector, which closed the last season with export revenue totalling R18.3 billion, we're particularly proud to be a part of the agricultural sector.

We welcome specific reference by the president during the Sona to the significant economic role of agriculture with its inherent growth potential. Equally encouraging is his commitment to take decisive steps to realise the agricultural sector's economic potential.

Government's renewed focus on infrastructure investment – as a lever for economic growth, job creation, and to empower small businesses – bodes well for the citrus industry, especially with the promise of accelerated water projects. In fact, we hope to partner with government in the anticipated Youth Employment Service initiative, which is set to create a million internships in the next three years.

And the president's cited Investment Conference, which aims to target domestic and international investment, can only propel our economy forward translating into various opportunities within the citrus industry and other sectors.

The matter of land - which comes with deep seated and warranted scars - is a tenuous matter. But it must not become a case of a historic injustice being turned into a historic mistake.

The citrus industry welcomes sound trade agreements, such as the Tripartite Free Trade Area agreement, to unite SADC, COMESA and the East African Community. These are integral to the economic advancement of the industry, and therefore our country. We anticipate much-needed market access opportunities for our exports, as well as increased job opportunities. And with South Africa taking over the chair of BRICS, which will give priority to the promotion of value added trade and intra-BRICS investment into productive

sectors, this makes for an ideal platform for the citrus

industry to address market access constraints in Russia, India and China.

Our unemployment rate of 26.7 percent and the youth unemployment rate of 52 percent (according to the Spectator Index) are both staggering. Therefore, government's planned Jobs Summit to establish a collective effort to create jobs came as good news for us in the citrus industry, in particular. The labour intensive citrus industry could contribute significantly to this dialogue and harness existing efforts by our Citrus Academy to get more young people job ready through internships and mentorship.

However, the resonant narrative around the expropriation of land without compensation remains one of poignant concern within the agricultural sector. The matter of land - which comes with deep seated and warranted scars - is a tenuous matter. But it must not become a case of a historic injustice being turned into a historic mistake.

The Citrus Growers' Association (CGA) of Southern Africa has more than 20 years of experience and represents approximately 1,400 producers of export citrus throughout Southern Africa (including Zimbabwe and Swaziland). And with a revenue of R18.3 billion, of which 92 percent comes mostly from exports, the industry looks forward to continuing to put bread on the tables of the South Africans in its employ - approximately 120,000 of them.

President Ramaphosa certainly has his work cut out for him, with government's eradication of corruption and incompetence as his primary challenge. Without achieving this feat, South Africa cannot move forward. But with a robust collaboration between government, business leaders and civil society, and with the support of (what we hope will prove to be) a formidable newly appointed team behind him, the president is capable of bringing about a change that transcends any hackneyed idiom.

We look forward to working with the government to further enhance relations with our international trade partners, so that we can continue to play our part in South Africa's economy. As a diverse nation, we may resemble the variety of a cornucopia. But this doesn't take away from the fact that we can pull together to haul our country to its rightful economic place.

Justin Chadwick, CEO: Citrus Growers Association (CGA) of Southern Africa



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CEO, Citrus Growers Association (CGA) of Southern Africa

THE BLOG

Fruitful Opportunities For The Citrus Industry

A Ramaphosa-led government could be good for oranges, in both the literal and figurative sense.

29/03/2018 12:14 SAST | Updated 29/03/2018 12:15 SAST





CITRUS IN THE PRESS

GDC article featured in Business Report on 5 March 2018, in response to a previous article by the Land Bank.



Agricultural sector paves the way for unemployed youth

Business Report / 20 December 2017, 2:00PM / Zeenat Vallie

According to Statistics South Africa (Stats SA), SA's unemployment rate is stagnant at 27.7%, the highest in 14 years.

Meanwhile, the agricultural sector has for the second consecutive quarter been crucial to SA's GDP growth, with a 2% GDP in quarter 3.

Although the agricultural sector shed 25 000 jobs in the same quarter this year, most of it was attributed to the drought in the Western Cape.

This sector continues to hold huge potential for growth and employment.

The citrus industry recognises the link between education, employment and financial freedom. Also, the importance of investing in human resource development.

In light of this acknowledgment, the Citrus Growers' Association of Southern Africa (CGA) established the Citrus Academy in 2005.

The Academy awards bursaries to students studying in qualifications related to the industry. This includes production management, plant sciences, agricultural economics, and industrial engineering.

The Academy awarded 645 bursaries to 247 students at academic institutions around the country since its inception in 2006.

Of the almost 200 students who had graduated through the Bursary Fund by the end of 2016, more than half are employed in the agricultural sector, with half of those employed in the citrus industry (many of them in

management positions). All of these graduates are contributing to growing the industry and improving the prospects for future graduates.

The Academy, in alliance with the CGA's Grower Development Company (CGA GDC) also provides local farmers with training and support.

This is done through enterprise development training in order to provide farmers with a full range of services.

Industry initiatives like study groups, information days, extension services, and roadshows are also critical to building growers' skills capacity and competencies. During these events growers gain invaluable access to industry experts, the latest research findings, and industry intelligence, while being able to voice their concerns.

The CGA urges the nearly 8 000 learners who are writing their final matric examinations this year to pursue a career in agriculture and receive the necessary assistance.

The CGA expressed their commitment to continuing to work closely with government to bring fresh entrants and hope to our sector, as well as to the whole of South Africa.

"We need to continue to find ways to maximise the talent amongst the many aspirant youths in our country. They could contribute significantly to economic growth all round", concluded the CGA.

The Grower Development Company (GDC) strives to use media opportunities, to educate the South African public on our role, as well as our challenges and victories.

Opinion&Analysis

Partnering with the Land Bank brings hope to black farmers

CITRUS IN THE PRESS

Michael Parks leases a 12 ha orchard from Fairview Wine and Cheese Farm. He's a beneficiary of the Comprehensive Agricultural Support Program (CASP), supplied by DAFF. Parks has been growing Eureka lemons since 2013.

And, despite having entered the industry with limited knowledge, he's managed to increase his exports by 400% in just 12 months. He's attained his success through discipline, education, commitment, and the support of a loyal work force.



Pictured are: Farm manager, Michael Parks (left), and Wayne Mansfield, owner of Fruit Field Farming in Paarl. Story supplied by Farmer's Weekly

TRANSFORMATION is indeed a thorny issue, as Land Bank chief executive TP Nchoncho confirms in "Land Bank's Nchoncho decries slow transformation" (Business Report, February 28).

But we're convinced that through a collaborative, inclusive approach on the part of all role-players, sustained transformation and overall economic progress in agriculture are possible.

President Ramaphosa's "transitional cabinet" – although not without controversy – has strengthened the wave of hope that has swept over the nation since the recent Sona and Budget.

And we're among the many South Africans welcoming the promises of a decisive growth vision from the government, as well as a new trajectory.

This belief is supported by undertakings in the Budget to reprioritise an estimated R581.7 million for the black producer commercialisation programme.

Also, to create and support 450 sustainable and profitable black commercial producers who are participants in prioritised value chains, over a five-year period.

With agriculture having been a key driver in our gross domestic product growth for two consecutive quarters last year, we in the citrus industry are determined to continue to contribute positively to collective growth in the sector.

We have more than 124 black citrus producers, nearly half of whom have been exporting for over 25 years. As active economic contributors, they need all the support they can get.

Therefore, we find Nchoncho's clear vision of transformation commendable, and we certainly relate to the challenges that come with driving the process effectively.

In fact, for us, partnering with the Land Bank can only further boost our efforts to continue to support our black citrus producers.

But we have to bear the big picture in mind as we navigate through the challenges that come with driving the country's transformation.

We continue to seek ways to strengthen ties with the government, to ensure that our black producers in particular continue to receive the support they need to grow their stake in this bustling industry.

The past few weeks have again revealed South Africans' capacity for hope. But we're under no illusion that in order to enjoy collective growth, we're going to have to do more than that – we must pull the critical parts together. It's the only way forward.

LUKHANYO NKOMBISA
GENERAL MANAGER: CGA GROWER
DEVELOPMENT COMPANY

CITRUS IN NUMBERS



CITRUS
COMPRISES
9%
OF GLOBAL
MARKET SHARE



TOTAL OF CITRUS
GROWERS: **1200**
124
TOTAL BLACK
GROWERS

TOTAL
EMPLOYEE
FORCE
120 000




NUMBER OF
HECTARES OCCUPIED
BY BLACK GROWERS
6 462

CITRUS PRODUCTION, SINCE 2000

