



APRIL 2019

newsletter

Ed's Note

I want to kick off this edition of Citrus Transformation News by quoting from Finance Minister Tito Mboweni's budget speech delivered in Parliament on 20 February 2019.

"For the seed to be prosperous we must first cultivate the soil. Once we have planted the seed, we must nurture it, water it, and protect it from the extremes, the elements and time."

Minister Mboweni is a part-time farmer himself. He must be all too familiar with the hard work that goes into farming and set-backs, like pests and bad weather that damage crops.

In the citrus industry, our black growers have more challenges than just pests and extreme climate conditions. At the recent Citrus Summit in Port Elizabeth where a large number of our emerging and black farmers were present, there was a panel discussion that unpacked the challenges black growers are facing – especially with accessing finance, raising capital and expanding their farming practices. But the biggest obstacle in their way is the lack of ability to get title to land and grow their enterprises.

Without title deeds these farmers cannot provide the surety to secure loans from banks. Too many of our growers have to farm on very tight budgets with old equipment and infrastructure on and off their farms.

One of the panellists was Louisa Maloka Mogotsi, our top North West Woman Farmer in 2018. She tells her inspiring story of becoming a farmer on page 5.

Also at the Summit, the Citrus Growers' Association Grower Development Company (CGA-GDC) chairperson Dr Mona Mashaba shared with delegates the GDC's successes over the past year, but also highlighted the challenges and priorities for 2019. An extract from his Summit speech can be found on page 2.

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One of the most important priorities is to have deep discussions with the Department of Agriculture Forestry and Fisheries, the Department of Rural Development and Land Reform, the Department of Trade and Industry (dti) and the Land Bank to find alternative ways in which they can help our growers with funding, much needed land ownership and other support required for the farmers to be able to participate in the entire citrus value chain.

It is encouraging that President Cyril Ramaphosa and Minister Mboweni both highlighted the importance of agriculture to South Africa's economy and government's commitment to assist especially black, emerging and smallholder farmers to get market access for their exports.

The citrus industry has over the past decade made lots of progress to integrate and assist black growers through support, advice and mentorship under the Citrus Growers' Association.

For emerging and small-scale growers, partnerships are everything – be it with government through relationships with the provincial government departments to make land available, or the private sector for funding. Let's also not forget the value we can gain from working closely with one another.

I want to conclude with another quote from Minister Mboweni's speech, which should be every citrus grower's motto for the year ahead: "If we look after what we sow, and what we have ploughed and laboured over so tirelessly, it will grow and the seed will bear fruit."

We want to hear from you. Please send us your ideas, concerns or whatever else is on your mind.

Lukhanyo

General Manager: CGA-Grower Development Company



my word from the chairperson of the GDC at the CGA Summit

New funding models, better access to finance and solid public-private partnerships – these are three of the main focus areas for the CGA-GDC in 2019.

During the Citrus Summit that took place on 13 and 14 March 2019 in Port Elizabeth, Dr Mono Mashaba, chairperson of the GDC, shared with conference delegates the GDC's most significant successes, challenges and priorities for 2019.

Successes

The original mission when the GDC was established in 2016 was to support black citrus growers through infrastructure and technical support, and facilitate access to funding and markets so that they can have profitable farming enterprises.

Three years later, the GDC's mission remains intact with a number of success stories.

Since 2016, the total hectares under cultivation by black citrus growers have increased from 7 211 hectares to 8 103 in 2018. The number of black growers who export citrus has also climbed - from 50 in 2015 to 76 in 2018. This is an increase of more than 50% in just four years.

The GDC is particularly encouraged that in the past year 62 business plans were submitted and have resulted in 59 farms and three packhouses.

These successes are good examples of what can be done when support, partnerships and, above all, funding is available to our black growers.

A standout achievement in the past year was a grant of R54 million from the Eastern Cape Department of Agrarian Reform for the building of the Ripplemead Packhouse in Peddi. (Read all about Ripplemead on page 4.)

This year, all business plans that growers and prospective growers develop, will be submitted to and discussed with the Department of Agriculture, Forestry and Fisheries (DAFF), provincial agricultural departments, as well as the Land Bank, which ultimately decide on providing funding for a future enterprise.

Challenges

Access to finance remains one of the biggest challenges that black growers and prospective farmers grapple with. But there are also many other obstacles that are difficult to overcome, such as problems with land ownership, inadequate infrastructure and uncertainty around water allocation and water rights.

In addition, many black growers continue to have to deal with limited financial resources to keep their operations going. Although government at national and provincial level has agrarian policies in place, they often miss the true needs of black citrus growers.

2019 Priorities

In the coming year, ironing out funding and financing challenges for black growers will be a top priority.

To achieve this, the GDC will be in regular discussions with DAFF, the Department of Rural Development and Land Reform and the Land Bank.

In Mpumalanga and Limpopo particularly, the GDC will consult with provincial agricultural departments about different funding models that will better accommodate the needs of black growers.

Public-private partnerships are crucial to the future viability of black growers' farming enterprises and the GDC will actively build upon existing ones and look for new opportunities of collaboration in 2019.



MONO MASHABA
Chairperson of the CGA Grower
Development Company

Citrus Summit *M* a huge success

The biennial Citrus Summit took place on 13 and 14 March 2019 in Port Elizabeth – also called The Friendly City.

More than 600 delegates attended the event and

the CGA-GDC and its emerging growers were there in their numbers.

Here are some pictures that capture the most memorable moments from the engagements at the event.



New Ripplemead Packhouse a game-changer for Keiskamma farmers

Farmers in the Eastern Cape's Baltein Village in the Keiskamma Valley have become the proud owners of a state-of-the-art packhouse that meets international standards for citrus exports.

The Packhouse, named Ripplemead after one of the farms in the area, was constructed with a R22.4 million financial injection from the government's Comprehensive Agricultural Support Programme (CASP) and handed over to the beneficiaries at the end of August last year.

The three farms that will use the Ripplemead Packhouse are all producing citrus for the export market with a crop of around 8 000 tons. The growers' aspirations to expand their exports were previously hampered, as the old Packhouse could not house all the different varieties of citrus and did not meet the standards set by the Perishable Products Export Control Board (PPECB), which is responsible for cold chain management, fruit inspection and food safety certification.

South Africa is the second largest exporter of citrus in the world, but emerging and small-scale growers are currently only exporting their fruit on an ad hoc basis. Of the 145 black-managed citrus businesses, only 76 participate in the export market.

But the new facility will make it possible for the

farmers of Ripplemead, Siyamila and Naudeshoek – who operate under the Keiskamma Valley Cooperative – to increase their exports volumes and change to new citrus varieties. It is expected that they will be able to increase their citrus yield to 10 900 tons after this expansion.

Ripplemead Packhouse, which is managed by a board of directors, comprising of permanent and seasonal staff, is testimony to how government's policy frameworks for socio-economic transformation can benefit formerly disadvantaged communities in rural areas.

The farmers of the Keiskamma Valley Cooperative lease the land from the Ripplemead Community Trust and will pay an amount of R10 000 per year for the lease of the Ripplemead Packhouse, after an initial exemption of two years.

Says Lukhanyo Nkombisa, General Manager of the CGA-GDC: "As the GDC we have limited resources to help our black growers but new opportunities open with partnerships such as the funding received for Ripplemead Packhouse."

The Eastern Cape Provincial Government has rightly identified agriculture and agro-processing as one of its strategic focus areas as this sector can play a crucial role in creating better lives for the province's people.



The Ripplemead Packhouse from the inside

Where there's a will, there's a way, says top North West farmer

Women play a huge role in farming in South Africa and the CGA-GDC is making every effort to ensure more women enter our industry and that their successes and achievements are showcased.

One of our high achievers in the past year was Louisa Maloka Mogotsi, the best women farmer in the North West Province in 2018.

Here is this social worker turned farmer's inspiring story:

I was born in Pretoria and grew up in a rural village of Mmametlhake – just east of Hammanskraal. I am the third of five children.

I have not always wanted to be a farmer. Although I originate from a very poor family, I saw myself becoming an academic. I realised from an early age that achieving my dream was far-fetched, but somehow, I believed that I will get the education that I was craving. My family managed to keep me in school until I passed the then Form 3 after which I had to leave home and find work.

I trained as a nurse but came to realise that I did not like it. I then joined the Department of Prisons as it was called back then and enrolled for a matric which I passed. While working at the Prisons Department, I got study leave with a full bursary and went to University of Bophuthatswana where I obtained a degree in Social Work. I got an Honours Degree in Social Work and then a Diploma in Human Resource Management. I worked extensively for both the public and private sector.

After running a practice as a social worker, I decided I wanted to venture into something different and farming came to mind. Being a farmer is very rewarding and therapeutic as you are in touch with nature. Seeing the trees growing and bearing fruit, helping people by employing them in order for them to take care of their families, walking the orchards and breathing the fresh air, touching and feeling the soil – these are all so gratifying.

The difficult part of being a farmer is the climate change, the huge Eskom bills because of irrigation and also theft. Another issue is funding which we as black growers cannot access.

Many black growers continue to struggle to get title deeds on their farms and without this proof of ownership we cannot get funding, as financiers do not have confidence in us.

For those who are interested in farming, I would say: follow your dream. Knock on all doors and learn as much as you can about the commodity you are targeting. There are a lot of opportunities. I always say: "where there is a will, there is a way!"



**LOUISA
MALOKA
MOGOTSI**

New blood at the GDC

The GDC is proud to introduce you to our interns who join us to learn new skills and help our growers with their expanding knowledge and enthusiasm for growth. Here they introduce themselves:

Awonke Mazizi

I was born and bred in in a small Eastern Cape town - Dutywa, situated in the Colosa location. I left home when I went to study Agricultural Economics at the University of Fort Hare in Alice, where I got my bachelor's degree in 2015 and subsequently an honour's.

I am excited to be a part of the citrus industry, because it is complex and therefore a challenge, but there is also a trade and export element to it that I especially enjoy. As a student, I was very interested in market access, analysis and the marketing of agricultural products.

In this citrus industry, I am particularly interested in market access. The majority of black farmers do not know how to access the market or put their products on the market. I would like to play a role in helping them to not only access local markets but also international markets.

The part of my internship at the GDC that I like best is the business support management aspect,

which deals with helping black citrus farmers get access to funding, drafting business plans and also compiling reports of farmers' progress.

What I find difficult sometimes is communicating with farmers. They speak different languages, which I don't always understand, but bit by bit I'm starting to learn Sotho – the most common language spoken in Gauteng, North West and Limpopo.

To future farmers I will say this: farming is the best career you could ever find. People will always need food, so we need more farmers to feed the ever-increasing population in South Africa and give food security to the country. To be successful in farming you must be hard-working, passionate about farming and also very patient because you may not be successful right away.

My motto in life is that as long as I put my mind to something nothing is impossible, I will never give up on my dreams as long as I breathe.



AWONKE
MAZIZI

Tebogo Ramodisa

I was born and raised in Hekpoort in Gauteng.

My interest in the citrus industry is specifically in the irrigation aspect of it. Most of our black developing farmers are struggling with irrigation and I therefore want to help them by applying the knowledge I have on irrigation. I hope at the end of the day they will be able to irrigate their citrus trees only when needed and with the correct amount of water.

I am excited about this internship, as it gives me the opportunities to attend different workshops where I learn a lot of new things and improve my knowledge on citrus specifically.

The challenging part of the internship is to solve challenges and problems that I have never solved before.

My message to prospective farmers is: this is not a seven to five job – it's rather 24/7. If you really want to farm, you need to be passionate because farming needs 100% attention.

The motto I try to live by is the more things you try, the more likely you are to be triumphant. You overcome your fears only by doing the things you fear until the fear has no control over you any longer.



TEBOGO
RAMODISA

Here are some media highlights of the coverage the CGA and GDC received in the first quarter of 2019.

Thudana Citrus Trust a win for black empowerment in agriculture *Published on Agriorbit on 30 January 2019*

San Miguel has launched the Thudana Citrus Trust, a trust whose beneficiaries are San Miguel Fruits South Africa (SMFSA) and Sunnybank Pack House employees. The trust gives a select number of employees 30% ownership of the Thudana Citrus Company; a broad-based black empowered ownership scheme. The Thudana Citrus Trust aims to play a constructive role in empowering black people in the Eastern Cape citrus industry by facilitating participation in the citrus value chain.

San Miguel sees the move as a way to empower communities and to grow human capacity. The company is investing in its employees in the Sundays River Valley and donating shares in Thudana Citrus while providing the new shareholders with the training and development that will help them understand the responsibility they hold as trustees and as board members.

"This initiative isn't just handing a farm to our employees," says Andries du Preez, country manager, San Miguel Fruits South Africa. "Thudana Citrus is a complete citrus operation and our aim is to empower the community in the long term through education, training and by providing a unique opportunity to become part of a fully-functioning citrus company."

In June 2018, SMFSA invested in additional citrus operations in South Africa with the aim of introducing a black economic empowerment (BEE) trust as a shareholder of the acquired businesses. The investment included:

- 40% of Sun Orange Farms, a citrus producing farm in the Kirkwood with a cultivated area of approximately 242 hectares,
- 100% of Thudana Fruit, through which fruit is sold to the local market,
- Sun Citrus Packers with assets which include a pack house with two lines and a maximum capacity to pack 140,000 bins (56,000 tons).

Nico Groenewald, Standard Bank's head of agribusiness comments on the transaction saying: "South Africa is one of the leading citrus exporting countries, and the citrus industry could play a significant role in achieving Vision 2030 of South Africa's National Development Plan. The plan aims to grow the local GDP at an annual rate of 5.4% and to create a million new jobs in the agricultural and agro-processing sector.

"Standard Bank is delighted to be involved in the creation of Thudana Citrus; partnerships like this create sustainable and successful transformation initiatives which benefit local communities and the wider South Africa," said Groenewald.

Record year for citrus exports

Published in Business Report on 14 March 2019

The Citrus Growers' Association (CGA) said yesterday it was set to export a record crop of about 137 million boxes of citrus fruit to more than 100 countries in 2019.

This was a provisional export estimate and the final numbers would be published on Friday, March 15.

Association chairperson Justin Chadwick said the rise in exports should translate into job opportunities, more foreign exchange revenue and a growing economy.

He said the higher export crop represented an increase of 0.7percent year-on-year. "The citrus industry has enjoyed two record crops for the export market in succession. Last year's crop yielded revenue of nearly R19 billion," said Chadwick.

He said the main drivers of growth were in the soft citrus and lemon categories, although the net growth in these categories was somewhat muted due to a 3percent decline in Valencia oranges. Chadwick said South Africa's citrus industry was one of the country's most important fruit groups by value and volume. "It yields revenue of over R20bn a year, of which 92 percent comes from exports, and provides jobs to more than 100 000 people," he said.



Citrus in the media

Citrus Summit: Fruitful opportunities in technology

Published on <https://www.agriorbit.com/citrussummit-fruitful-opportunities-in-technology/> · 22 March 2019

At the recent Citrus Growers Association's conference in Port Elizabeth, the Citrus Academy's general manager, Jacomien De Klerk said the rapid advancement of technology and its potential to efficiently connect the planet and people is both thrilling and daunting. "It requires new ways of thinking and doing, but it also offers boundless opportunities particularly in agriculture. The Citrus Academy, augmenting the work of the Citrus Growers' Association of Southern Africa, is determined to harvest these opportunities," said De Klerk.

South African citrus is world-renowned with a reputation for excellent quality, De Klerk said, but maintaining this exceptional international reputation needed constant investment in technology, skills development and in the country's future citrus farmers.

Tech upskilling

"South Africa's young people are already embracing tech – but the new ways of thinking and doing that are needed to be part of a tech-focused agricultural future should be prioritised to meet the demands of this revolution," she said. "Simple changes to introduce subjects that are aligned with these emerging technologies can make all the difference in developing a pipeline of future tech-savvy farmers.

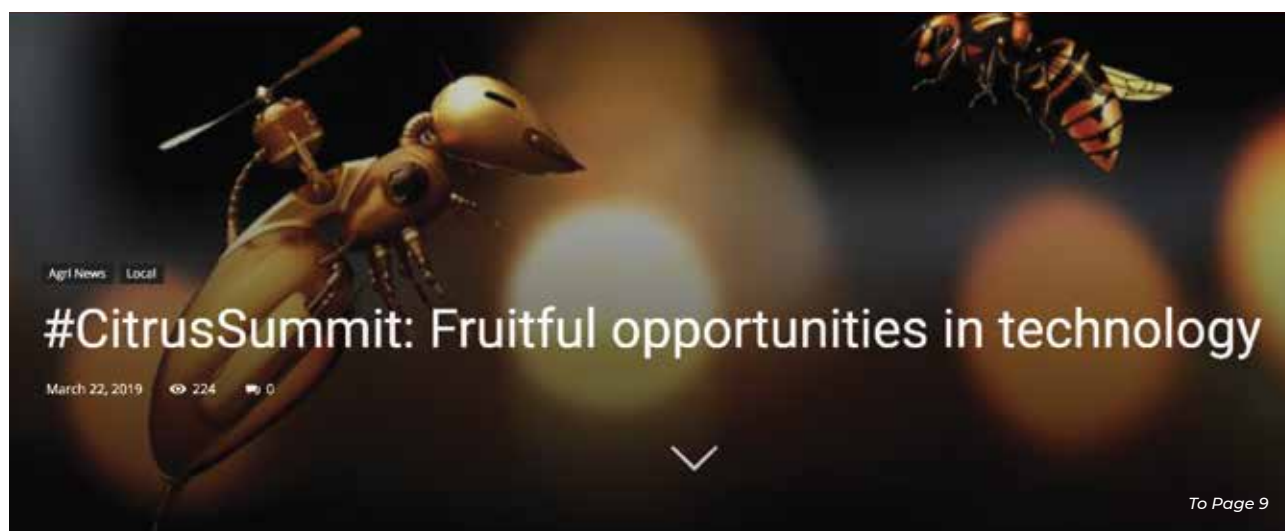
"We are resolute in the maintenance of our competitive

edge. Our local citrus industry is one of the country's most important fruit groups by value and volume. It yields a revenue of over R20 billion per year, of which 92% comes from exports, and provides jobs to more than 100 000 people, many of them young South Africans. The new technological advances that are available to us present endless opportunities to grow these jobs if we know how to see and seize them. The Citrus Academy's training programmes are already aligning to equip our industry with the knowledge and skills required in this new environment.

"It is because of the high standard of production and packing that South African citrus is so well-respected worldwide," she continued. "However, staying ahead of the pack requires constant evolution on the technological front – not only to market our citrus digitally, but also to automate the packaging."

De Klerk referred to the fact that a game changer on citrus farms seems to be plant growth monitoring systems. "These systems consist of sensors that measure fruit and stem growth daily, offering near real-time information that will help farmers to better schedule irrigation and manage the nutrition requirements of citrus trees," she said.

"There are also exciting advances towards ensuring successful crops, such as soil sensors that monitor the water content and soil health, as well as satellite and drone technology – using real-life imaging to monitor the condition of individual trees. These advances have already led to better crop protection."



Citrus in the media

Robots in packhouses

De Klerk said that automation at packhouses through robotics at pack lines will become the order of the day. "We're seeing the benefits of innovations such as optical sorters that can detect and sort individual fruit for sugar and acid content, blemishes, colour, and size. In addition, automated packing machines and robotic pallet stackers and wrappers will ensure greater consistency, while new software will manage truck loading and distribution towards better stock management and ensuring the continued delivery of a quality product."

She pointed out that some of these developments are advances on current technology and will require additional skills from staff beyond the training they regularly receive. Most useful technologies underway, are new and will need significant upskilling of employees. In many cases, there may be entirely new positions and job descriptions in the workplace.

"Employers and employees must be willing or able to upskill and create new positions to accommodate these new skills to fully reap the benefits of technological advances. In packhouses, the skills level is moving upwards and there is a need for workers - even those on the packhouse floor - to be computer literate."

De Klerk said these new technologies would also require employees, especially at management level, to use process thinking, a skill that has up until now been developed mostly in professions like industrial engineering. "Process thinking will be an aptitude required on a much broader basis, and forms part of the Citrus Academy's programmes that develop strong, analytical farmers."

The Citrus Academy's general manager said the advances and the subsequent automation on farms and in pack houses present abundant opportunities for all workers across the citrus value chain to expand their knowledge and skills to meet the demands of these new technologies. "The Citrus Academy aims to lead and equip particularly our young growers to embrace this fruitful future," said De Klerk.

Carin Venter, Farmbiz

Citrus farmers are on board

Published in the Mail & Guardian on 15 February 2019

The agricultural industry's potential to create jobs and increase revenue was identified by President Cyril Ramaphosa in his State of the Nation address, but we need more than magnanimous commitments if we're to realise our opportunities in a constructive and sustainable manner.

For nearly 20 years, the Grower Development Company of the Citrus Growers' Association has participated in government initiatives, including building the capacity of black farmers with meaningful mentorship and training across the spectrum of thriving citrus farms.

We will continue to work with government to ensure that black citrus growers can participate in a modern agricultural economy, contributing to domestic food security, securing their livelihoods and helping to realise our industry's export capabilities.

The president's positive tone was heartening and we commit to working with government to reach this year's five top goals: more jobs and inclusive growth, better education, improving the lives of the poor, eradicating corruption and improving service delivery.

Lukhanyo Nkombisa
Citrus Growers' Association Grower
Development Company

