



ED'S NOTE

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As the 2024 citrus harvesting season starts, it is a time to look forward.

I always find it rather significant that citrus season usually starts to pick up between two very significant dates on the South African calendar: Human Rights Day on the 21st of March and Freedom Day on the 27th of April.

We often just treat these dates as public holidays, maybe thinking about our country's history during a passing moment. Rarely do we reflect on what these historic markers really mean.

They highlight the rights and freedoms of all South Africans, but especially those who were previously disadvantaged. We all have a responsibility to realise the rights and freedoms of our fellow citizens. Part of this responsibility is ensuring the transformation of the agricultural sector, a very significant sector in our economy. The Grower Development Company (GDC) works hard to empower Black developing citrus growers through providing them with opportunities that give them a fair chance to show the world their commitment and industriousness.

With strategically targeted support and investment, these Black developing citrus growers are showing impressive growth. They're contributing a rising share of citrus production, both for domestic consumption and international export.

This translates into job creation, increased household income, and a more robust agricultural industry overall.

The development of Black citrus growers isn't just about figures and statistics. It is about strengthening a sense of ownership and inclusion within the agricultural wider sector. This newsletter is itself a testament to how far the industry has come. In it you will read about how we travel across the country to find out how we can help growers, about how the Enterprise Development Fund is assisting us in developing orchards and farms as businesses, and you will be informed of our exciting new partnership with the Eastern Cape Development Corporation.

May we all harvest the rights and freedoms offer by our bountiful land.

Lukhanyo Nkombisa is the Managing Director of the GDC

MESSAGE FROM THE

CGA CEO



The CGA is cautiously hopeful about the 2024 citrus export season. Millions of cartons of citrus will be making their way to destinations in Europe, China, the US, Russia and the Middle East.

The year started with some good news for our growers. We welcomed the announcement that a leading global liner shipping company, Hapag-Lloyd, will now offer its services in exporting citrus from the ports in Durban and Gqeberha. This increases competition and capacity in the shipping market. Hapag-Lloyd's entry is a direct result of an advisory project launched by several fresh produce associations, including the CGA, in 2022.

Another piece of good shipping news followed, with an additional direct shipping service by liner MSC from the ports of Ngqura and Port Elizabeth for the export of citrus. It will run every Tuesday from the end of May to the beginning of September, during the height of the citrus season.

Then the Department of Agriculture, Land Reform and Rural Development (DALRRD) and the CGA was pleased to announce that a new bilateral protocol has been established, opening the Vietnamese market to South African oranges. The opening of the Vietnamese market offers an export potential of 15 000 tons of oranges. This will translate into more job opportunities and revenue generation.

With this season's estimates predicting a large crop, one hopes that our hard-working growers will be able to get a record number of cartons to foreign markets. But some serious challenges remain.

The logistics crisis is a great concern for the industry. Backlogs and congestion, especially at the Port of Cape Town, nearly had a ruinous effect on the deciduous fruit industry in December and January. The CGA has engaged with Transnet on port efficiency, and we have also set up a network through which real-time port information can be shared, so that problems can be identified immediately, and hopefully addressed speedily.

The other large concern for the industry is the European Union's discriminatory and unscientific phytosanitary regulations regarding Citrus Black Spot (CBS) and False Codling Moth (FCM). It could lead to South Africa being denied access to the European market – a market which accounts for more than one-third of South African citrus exports. Given the high stakes involved, the CGA hopes the South African government will soon call for the establishment of an independent World Trade Organisation (WTO) panel that can adjudicate on the FCM matter. On CBS it is essential that the government calls for a WTO consultation process. The CGA is eager to fight - along with the government - to protect citrus jobs and revenue.

These challenges are not insurmountable. Our industry has faced similar obstacle before. Together, we can make sure the unique place citrus holds in South Africa's export economy is not only defended and secured, but expanded significantly.

Justin Chadwick is the CEO of the CGA



ROADSHOW 2024 SHOWS HOW IMPORTANT IT IS TO KNOW WHAT'S HAPPENING AT FARM LEVEL

In February and March, the Grower Development Company (GDC) joined the CGA for the bi-annual CGA Roadshow 2024. The roadshow took the teams from CGA, GDC, the Citrus Academy, and Citrus Research International as well as the CGA-Cultivar Company and River Bioscience across the country's various citrus regions to showcase the work of the teams, as well as to get feedback from farmers on the ground.

The roadshow travelled to all citrus producing regions in the country, and stopped at towns along the way to make sure farmers could meet and network with the CGA, GDC and other teams who champion their work.

The GDC was proud to use the opportunity to tell farmers of our ongoing work to provide Black developing citrus growers with development support to ensure their enterprises are profitable and financially sustainable. The ongoing work is intended to give farmers access to finance and to markets, and to address production factors and technical or management capability.

The reception was positive. Black developing citrus farmers were eager to hear about the opportunities that the GDC could unlock for them.

Communication between the GDC and growers was a theme that stood out. For the GDC to be able to do effective work, it needs access to information such as the cultivars and the age of the trees on Black developing citrus growers' farms, while also gathering production and ownership data. This will enable the GDC to allocate funds and assistance - for example, where to advise a farmer to plant new trees to boost production, or to plant new cultivars which are in line with consumer demands.

From their side, Black developing citrus growers also flagged the need to know about all of these programmes and opportunities, so they may fully participate. Knowing what's happening at farm level is very important to the GDC, as this is exactly what will make the best allocation of resources and funding possible.

The turnout to the CGA Roadshow 2024 was very good, and the various events across the country had a great impact on the continuing work of the GDC.

Ohrigstad/Burgersfort
"Senwes"
Hoedspruit
Nelspruit
Letsitele
Onderberg
Limpopo River
Boland
Piekenierskloof
Patensie
Sunday's River Valley
Northern Cape
E. Cape Midlands
Nkwalini



EMPOWERING BLACK FARMERS A PATH TO CITRUS INDUSTRY GROWTH

In the quest to achieve the Vision 50 goal of ensuring that Black developing citrus growers export 50 million 15kg cartons of citrus by 2032, the planting of an additional 17 500 hectares of citrus under black farmers is planned. Such an ambitious plan requires a strategic and broadly collaborative approach.

Breaking down the numbers, it's projected that 5,000 hectares will be planted each year between 2024 and 2026. This structured approach not only ensures steady progress but also allows for effective resource allocation and management. It will take time for these new plantations to get to their full yield potential.

To achieve this annual expansion of newly planted citrus, financial investment is crucial. While the citrus industry itself currently invests over R50 million annually in transformation, more funding is needed. Collaborating with government entities, industry partners, and local stakeholders is important to secure the necessary resources required to achieve the GDC's growth targets.

A key aspect of this initiative is supporting our Black developing citrus growers. The GDC has identified that some Black developing citrus growers operate on as little as 5 to 10 hectares, with the ideal viable hectareage being at least 20 to be able to export citrus in bulk. The GDC is working closely with these farmers and aims to identify those who can successfully grow their operations through access to more land, suitable water rights, fertilizers and infrastructure. In expanding the orchards of these passionate and committed growers lies a significant opportunity. One which is being seized.





Close partnerships with industry bodies like the Citrus Research International (CRI) ensure that new and developing Black citrus growers can select the right cultivars for each region and that these cultivars align with consumer preferences so that their produce will one day find a market. This type of collaborative approach by the GDC extends to infrastructure development, cold storage, logistics, and ports, all of course essential for managing increased volumes efficiently.

Although the ambitious growth plan is a workable projection, several challenges must still be addressed. The capital requirements to bring a commercial farm online is a significant hurdle. Lobbying development agencies and provincial authorities for increased support is crucial to bridge this gap. Encouraging partnerships with commercial farmers who can bring resources and expertise to the table can alleviate this challenge.

Moreover, addressing rising input costs is vital to ensure the long-term sustainability and profitability of citrus farming operations.

Additionally, issues such as water allocation to new plantations require strategic interventions and partnerships with relevant government departments. The CGA is working closely with national and provincial departments to try to make water licences accessible.

Another way the GDC is working toward the goal of Vision 50, is the replacement of older trees with lower yields on the farms of Black developing citrus growers. This means that the hectares under cultivation doesn't necessarily increase in size, but the same hectares can produce higher yields, thanks to the replaced trees.

The GDC believes that the industry's Vision 50 is achievable. It is aligned with the government's Masterplan for the fruit industry. But to make this plan a reality, step by step strategic planning, collaboration, and targeted interventions are needed. This will lead to the citrus industry seeing substantial growth while empowering and uplifting farmers in the process.

Vision 50: That Black developing citrus growers export 50 million 15kg cartons of citrus by 2032



Black developing citrus growers operate on as little as **5 to 10** ha, with **20** ha needed to truly export in bulk



Goal of planting an additional **17 500** hectares of citrus



OVER R31 MILLION ALLOCATED TO DEVELOPING GROWERS

Farming remains vital for creating and sustaining livelihoods in developing countries, including South Africa. Yet, financial challenges often hinder Black developing citrus growers. To address these issues, the citrus industry annually invests in an enterprise development fund (EDF) for the benefit of Black developing citrus growers.

The primary goal of the EDF is to create a supportive environment for majority Black-owned enterprises, enhancing their productivity and competitiveness. These enterprises face significant challenges, including financial uncertainties due to high input costs, market price fluctuations, and even unfair phytosanitary regulations, such as those imposed by the European Union to counter the supposed threat of Citrus Black Spot and False Coddling Moth.

In the fiscal year 2023/4, the GDC allocated over R31 million from the EDF to address various needs such as inputs, packing costs, electricity, fuel, trees, integrated pest management, maintenance, compliance, and water across six provinces. The pie chart below shows the allocation of these funds per province, measured in hectares. Citrus growers working on over 2,000 hectares were supported in the Eastern Cape for example, with 1,270 hectares of farms in Limpopo getting similar support.

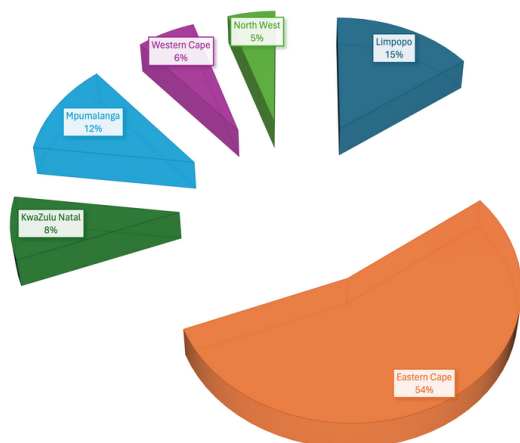
Despite funding various expenses, fertilizers and chemicals remain significant cost drivers for growers, as depicted below. Over 70% of the funding went to buying fertilizers, pesticides, herbicides and other chemicals needed on the farm. The rising cost of fuel can also be seen with more than 7% of funding going to this category.

The EDF also supports the Vision 50 development project. The funded categories align with this goal, focusing on business growth and orchard expansion. During the reporting period, no less than an impressive 25 985 trees were purchased, leading to a 52 hectare expansion, facilitated by the Enterprise Development Fund.

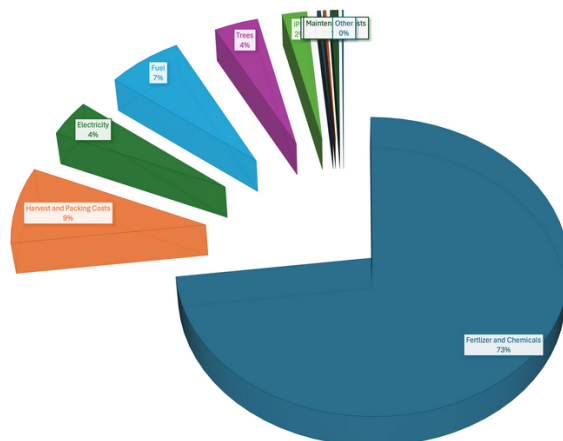
The citrus industry's support through the EDF is very useful, but broader collaboration in funding remains necessary to be able to fully support Black developing citrus growers to allow them to realise their immense economic potential.

"No less than 25 985 trees were purchased, leading to a 52 hectare expansion"

PROVINCIAL ALLOCATION



ALLOCATION ACCORDING TO CATEGORIES



NEW PARTNERSHIP WITH THE EASTERN CAPE DEVELOPMENT CORPORATION

The Eastern Cape is the second largest citrus-producing province in South Africa. The beautiful citrus-filled landscapes of Patensie, the Sunday's River Valley and the Eastern Cape Midlands are often associated with the province's natural beauty.

The GDC has partnered with the Eastern Cape Development Corporation (ECDC) to support Black developing citrus growers in the Eastern Cape province. The ECDC's mandate is to plan, finance, co-ordinate, market, promote and implement the development of the province and its people in the fields of industry, commerce, agriculture, transport and finance.

Their commitment to the people of the Eastern Cape is inspiring, and it is a honour to partner with them to boost local citrus.

The collaboration focuses on enhancing the agro-processing route-to-market and developing the citrus industry's value chain.

As part of this partnership, there will be support for accrediting developing and Black-owned citrus agri-businesses with Global Good Agricultural Practice (GAP) certification, specifically the GLOBAL GAP V6 standard (a minimum export requirement) and the Sustainability Initiative of South Africa (an ethical trade requirement for exports).

These certifications will open more export opportunities for growers.

Additionally, the initiative will assist in the development phase of critical post-harvest and processing facilities for Black developing citrus agribusinesses. This includes conducting feasibility studies and creating business plans to expand and transform the citrus industry's value chain.

Financially, the ECDC will cover 60% of the costs, while the GDC will contribute the remaining 40%. This cost-sharing arrangement ensures the sustainable growth of the citrus industry in the Eastern Cape region.



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