



FRUIT INDUSTRY VALUE CHAIN ROUND TABLE (FIVCRT)

ANNUAL REVIEW EXECUTIVE SUMMARY

JANUARY TO DECEMBER 2023



1. INTRODUCTION

1.1 CONTEXT

For the fresh fruit industry of South Africa, transformation remains a key strategic focus area that requires goal setting with measurable targets, and meaningful collaboration.

The Fruit Industry Value Chain Round Table (FIVCRT) is a product of collaboration between the Department of Agriculture, Land Reform and Rural Development (DALRRD), and Fruit South Africa (Fruit SA).

The FIVCRT seeks to strengthen ties among stakeholders to secure a sustainable competitive edge for the fresh fruit industry. And its work/focus is organised into six working groups: transformation, employment and worker welfare, research and development, trade, local markets, and resources.

This document presents an executive summary of the sixth transformation report, reflecting the transformation initiatives of Fruit SA member associations from January–December 2023. The first report was published in 2018. It also aligns all indicators and activities with the industry transformation strategy developed in 2018.

The credibility of industry transformation hinges heavily on goal setting and measurable targets. Hence, the overarching goal is to achieve a fully transformed sector by 2038, with Black Economic Empowerment (BEE) growers participating meaningfully throughout the value chain, contributing 30% of fruit production, 30% of exports, and constituting 15% ownership within the value chain.

The number of fruit farm hectares under black ownership decreased from 32 521 in 2022 to 31 409 in 2023, while the area of land under fruit production by black growers increased from 16 346 ha in 2022 to 16 950 ha in 2023. The volume of fruit produced by black growers showed a 54.66% decline from 563 384 tonnes in 2022 to 255 419 tonnes in 2023. The volume of exports sourced from black growers decreased by 19.3% from 187 512 tonnes in 2022 to 151 306 tonnes in 2023. The reduction in the volume of fruit produced and exported is due to the removal of older orchards that were not meeting production targets.

2022					2023				
Association	Production	Ha owned	Volume produced	Volume exported	Association	Production	Ha owned	Volume produced	Volume exported
Subtropical	3613	2058	250000	-	Subtropical	5418	3613	-	4582
SATI	2119	1933	32590	32692	SATI	1838	1671	33296	33298
Hortgro	4475	18859	148794	62493	Hortgro	4363	18889	145062	60926
CGA-GDC	6139	9671	132000	92327	CGA-GDC	5331	7236	77061	52500
Total	16346	32521	563384	187512	Total	16950	31409	255419	151306

Subtrop's figure is excluded

2. SUB-SECTOR REVIEWS

2.1. CITRUS GROWERS' ASSOCIATION OF SOUTHERN AFRICA

The Citrus Growers' Association Grower Development Company (CGA-GDC) and the Citrus Academy are non-profit companies established and funded by the CGA to address the transformation needs of the citrus industry. Together, they have implemented various support mechanisms for emerging growers.

Serving as a facilitator for the transformation initiatives of the CGA, the CGA-GDC focuses on enterprise development for black citrus growers. They provide a range of services, including business planning and support, study groups, information days, extension services, and overall enterprise development. By leveraging public-private partnerships (PPPs), the CGA-GDC champions sustainable programmes like the Economic Transformation of Black Citrus Growers (ETBCG) Programme, the Land Development Support Programme (LDSP), and other initiatives designed to aid the growth and support of growers within the industry.

As part of its ongoing focus on skills development in the citrus industry, the Citrus Academy established the Citrus Academy Bursary Fund in 2006 to create a vital talent pipeline into the citrus industry. The Fund provides financial support to learners across South Africa who are pursuing qualifications related to citrus production, thereby enhancing the skills and capabilities within this crucial sector. Additionally, it incorporates the BEE Bursary Support (BEEBS) initiative, which offers subsidies for educational costs incurred by the relatives of black growers and the employees of black-owned citrus enterprises. This contributes further to the empowerment and development of these communities.

NOTABLE CITRUS INDUSTRY ACHIEVEMENTS

Since its launch the BEEBS Programme has provided **297 additional bursaries** that totalled more than **R6 million**, to empower black-owned-enterprises.

Produced various learning materials, including audio-visual aids and best practice handbooks, and ensured free access to these resources for broader dissemination of industry knowledge.



Hosted four information days attended by over **370 participants** and implemented capacity-building workshops to enhance farm technology and labour productivity.

Awarded

1012 bursaries since inception worth **R30.6 million** with a focus on diversity -

77% are previously disadvantaged individuals (PDIs) and 55.2% women.



Facilitated numerous programmes to enhance the employability of students, **resulting in 77% of Bursary Fund graduates being employed in agriculture.**

Supported the ETBCG Programme, leading to the planting of 245 ha and job creation aligned with Vision 50 goals.



Launched the Citrus Secondary School Programme to extend educational opportunities to high school students and reduce youth unemployment in citrus-growing areas.



2.2 HORTGRO

Hortgro serves as the national umbrella body for the pome- and stone-fruit sub-sectors within the deciduous fruit industry. Committed to sustainable development and inclusivity, Hortgro actively engages in initiatives designed to cultivate a competitive, equitable, and economically transformed industry on a global scale. Hortgro recognises the importance of collaboration and partners with stakeholders such as the Western Cape Department of Agriculture (WCDoA) and national bodies, to foster an inclusive and sustainable environment.

The establishment of an Economic Development Advisory Committee (EDAC) in 2023 has been instrumental in shaping the economic development strategy at Hortgro, ensuring alignment with industry needs and government guidelines. This step underscores industry dedication to driving economic development and transformation.

Key transformation objectives include BEE, land reform, skills and capacity building, and socio-economic development. These objectives are pursued through strategic alliances with industry stakeholders, government entities, and commercial growers, highlighting the critical role of public-private partnerships in achieving these goals.

NOTABLE ACHIEVEMENTS BY HORTGRO TO DATE (2023)



Figure 1 provides a snapshot of priorities in transformation and economic development for the year under review.

TRANSFORMATION AND ECONOMIC DEVELOPMENT

KEY FOCUS AREAS 2023

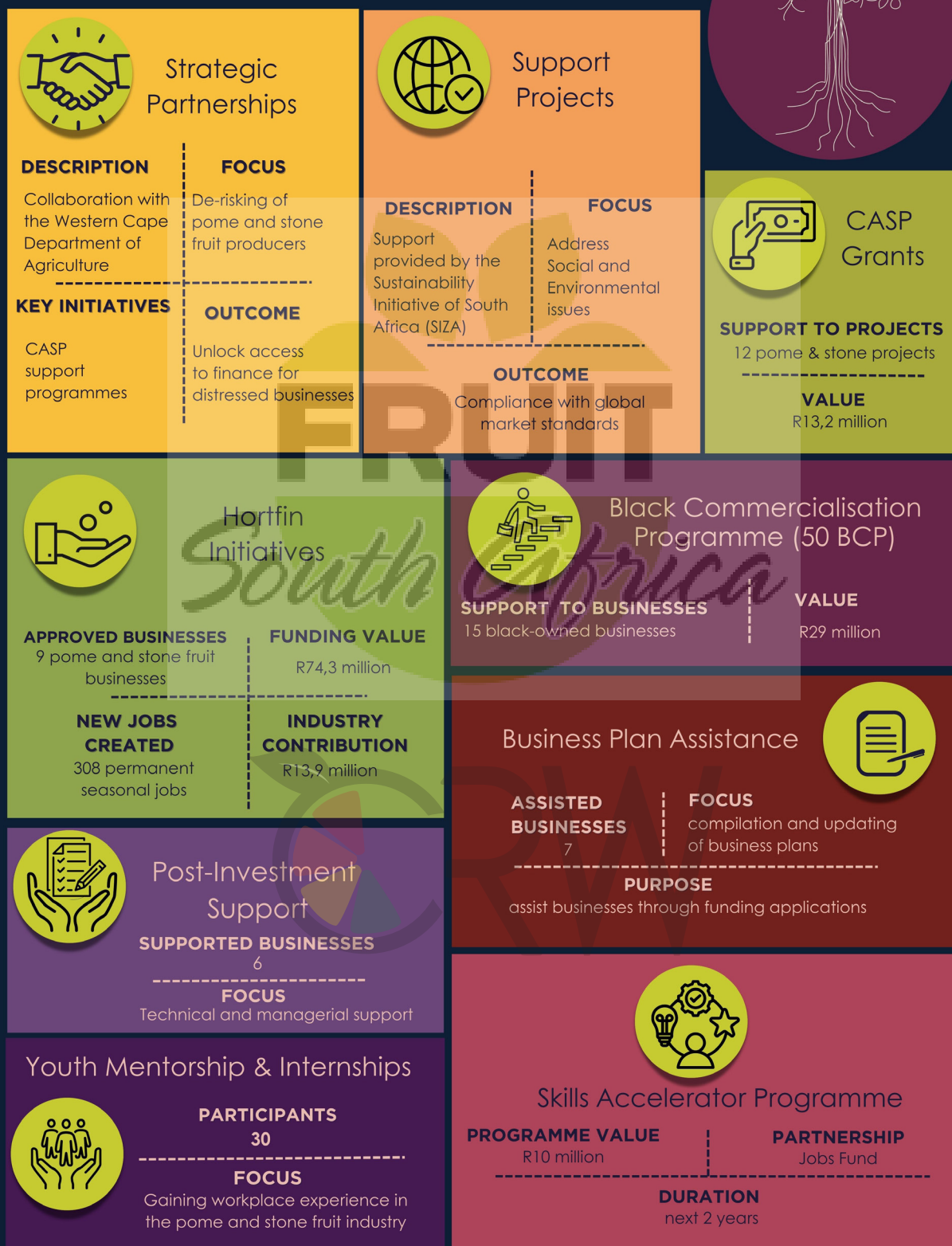


Figure 1: Transformation and economic development - 2023 key focus areas

2.3 FRESH PRODUCE EXPORTERS' FORUM

The Fresh Produce Exporters Forum (FPEF) is a South African-based industry body that represents stakeholders in the latter part of the export value chain, including exporters and logistics providers. The FPEF's primary transformation focus is to promote the inclusion and sustainable participation of black South Africans in the fresh produce export industry, particularly in secondary agriculture.

The FPEF is committed to driving transformation within the second half of the value chain. They achieve this through initiatives such as graduate placement programmes, training modules for employees, market access training for emerging growers, and collaboration with government and industry bodies to enhance skills development and compliance. Overall, the FPEF aims to foster a more equitable and inclusive agricultural sector in South Africa.

SOME OF THE TRANSFORMATION ACHIEVEMENTS BY THE FPEF



The Top of the Class (TOC) Training Programme saw **83 individuals complete the course in 2023**, bringing the completion total to 1287 since its inception in 2004.

Active participation in the Horticulture Sector Sub-Committee and the Sectoral Skills Committee of the Agricultural Sector Education Training Authority (AgriSETA), to represent members' interests and to promote skills development.

Hosted the seventh annual fpef fresh produce EXPORTERS' FORUM SOUTH AFRICA Transformation Webinar on 19 September 2023, focusing on proactive transformation in businesses.

Achieved Level 8 BEE compliance as a Qualifying Small Enterprise following a BEE audit conducted in September 2023.

In 2023 14 black graduates from the FPEF Graduate Placement Programme were employed.

This brings the total number of employed graduates to 68, since the launch of the programme in 2016.

Training sessions held to prepare emerging growers for market access, including a session sponsored by the WCDoA in January 2023.



2.4. SOUTH AFRICAN TABLE GRAPE INDUSTRY BODY

The South African Table Grape Industry (SATI) body prioritises transformation to create equal opportunities for black agriculturists and entrepreneurs. This unlocks an opportunity for them to participate as owners, co-owners, and professionals in the table-grape industry. The strategic goal at SATI is to develop a sustainable and equitable table-grape industry with transformation as a key driver. Currently, approximately 9.5% of total production comes from Broad-Based Black Economic Empowerment (B-BBEE) businesses. The organisation achieved a Level 4 B-BBEE rating during the reporting period and has implemented a transformation strategy aligned with the Fruit SA Transformation Plan. It allocates 24.85% of its levy income to support B-BBEE initiatives.

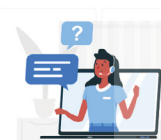
SOME OF SATI'S TRANSFORMATION ACHIEVEMENTS BY IN 2023

Invested R5.5 million in the Vineyard Development Programme

to help black growers renew and expand their vineyards. The programme focuses on improved yields and quality.



Invested R89 600 in subsidising participation for students and growers at the 10th International Table Grape Symposium in 2023, enhancing networking and access to industry research.



Provided R514 949 for helpdesk and advisory services, totalling approximately R1 million over the last three years. The funds assist growers with compliance and business planning.

Provided R696 635 for 10 bursaries

to enable black students to pursue higher education in agricultural fields. This fosters a skilled workforce.



Collaborated with the WCDoA through the CASP, supporting growers with approximately R10.96 million.

Allocated R714 231 to the Hortfin programme, which provided around R84 million in loans to table-grape growers, with an additional R80 million anticipated in the next year.

Invested R175 900 in community upliftment initiatives, including the Agri's Got Talent programme that provides training and rewards for farmworkers. The programme - a powerful vehicle for empowerment and skills development - celebrated its 10th anniversary during this reporting period.



Spent R149 245 on modular and leadership short courses to improve the skills of growers and farm workers, ensuring access to industry information through a comprehensive online platform.

2.5. SOUTH AFRICAN SUBTROPICAL GROWERS' ASSOCIATION

The South African Subtropical Growers' Association (Subtrop) manages the affairs of the South African Avocado, Litchi, and Mango Growers' Associations (SAAGA, SALGA, and SAMGA). The organisation made significant progress within transformation in 2023, implementing initiatives aimed at promoting inclusive growth within the industry. Its focus on transparency, market access, and competition has begun to yield positive results, reflecting a growing commitment among stakeholders to engage in transformation efforts.

In 2021 Subtrop established its key pillars: education and training, development, grower support, the black grower database, and long-term projects. This has facilitated the effective navigation of prevailing challenges to increase engagement and development within the industry. And in its targeted collaboration with various government departments and entities Subtrop has seen the fruits of effective emerging grower development. Notably, they have also increased investment in initiatives that integrate black graduates into the industry and have provided financial support and bursaries for PDIs studying in relevant fields.

SOME OF THE SUBTROP MILESTONES IN 2023



Increased support for transformation initiatives like bursary support, to integrate black graduates into the industry.

Training sessions were conducted for emerging growers and government extension officers to **enhance technical knowledge and farming skills**.



The **annual summit** provided a platform for discussing critical opportunities and challenges in the industry, with a focus on equity and competitiveness.

Transformative initiatives like the donation of **20 000 avocado trees for emerging growers** and the One Hectare Development Project aimed at teaching proper orchard management.

Donation of avocado trees that benefitted at least 20 growers, and ongoing bursary programmes for disadvantaged students.



A whopping 54.8% increase in the value of industry exports, from **R36.5 million in 2020** to **R56.5 million in 2023**.





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