FRUIT South Africa

FRUIT INDUSTRY VALUE CHAIN ROUND TABLE (FIVCRT)

TRANSFORMATION WORKING GROUP ANNUAL REVIEW

JANUARY TO DECEMBER 2023

Citrus Growers' Association of Southern Africa · fpef fresh produce exporters' forum South Africa · SATI South African Table Grape Industry · subtrop SA Subtropical Growers' Association · HORTGRO Growing Fruit IQ · agriculture, land reform & rural development, Department: Agriculture, Land Reform and Rural Development, Republic of South Africa

FRUIT INDUSTRY VALUE CHAIN ROUND TABLE TRANSFORMATION WORKING GROUP

CONVENER FOREWORD

During the 2023 reporting period the fresh fruit industry maintained its strategic focus on transformation, aiming to achieve a fully transformed industry by 2038. The Fruit Industry Value Chain Round Table (FIVCRT) Transformation Working Group (TWG) serves as a platform for monitoring and tracking industry transformation activities. This ensures seamless alignment with the transformation strategy within a value chain approach. Additionally, it provides a vital knowledge-sharing space for industry bodies. This fosters a culture of preserved institutional knowledge, and learning.

This publication reviews key activities and outcomes of the transformation initiatives for the 2023 calendar year – in some instances, referencing a financial year – that are linked to fresh fruit industry bodies and the TWG.

The South African fresh fruit industry faced significant logistical challenges in 2023. Despite best efforts, Transnet's port network was plagued by structural breakdowns and maintenance issues, disrupting the export timelines of fruit destined for global markets. These setbacks led to significant inefficiencies and increased costs for growers and exporters, with far-reaching effects on the industry.

But despite these and other challenges, the industry has remained steadfast in driving its transformation initiatives, prioritising the retention of existing participants over attracting new entrants. Role-players in the fresh fruit industry are cognisant of its long-term cycles and significant barriers to entry, particularly for previously disadvantaged individuals (PDIs). Therefore, they continue to champion sustainable public-private partnerships (PPPs) in transformation. This annual review highlights industry efforts and progress, demonstrating to stakeholders the commitment to align with government and other partners for the sustainable growth of black fruit growers and other participants in the fruit value chain.

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LIST OF ABBREVIATIONS AND ACRONYMS

Agbiz	Agricultural Business Chamber
AgriSETA	Agricultural Sector Education Training Authority
ARC	Agricultural Research Council
BAWUSA	BAWSI Agricultural Workers Union of South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BCP	Black Commercialisation Programme
BEE	Black Economic Empowerment
BEEBS	Black Economic Empowerment Bursary Support
BFAP	Bureau for Food and Agricultural Policy
CASP	Comprehensive Agricultural Support Programme
CGDC	Citrus Grower Development Chamber
CGA	Citrus Growers' Association of Southern Africa
CGA-GDC	Citrus Growers' Association Grower Development Company
CIS	Citrus Improvement Scheme
CPA	Communal Property Association
CRI	Citrus Research International
DALRRD	Department of Agriculture, Land Reform and Rural Development
DEL	Department of Employment and Labour
DRDAR	Department of Rural Development and Agrarian Reform
dtic	Department of Trade, Industry and Competition
ECRDA	Eastern Cape Rural Development Agency
EDAC	Economic Development Advisory Committee
EDF	Enterprise Development Funding
EE	Employment Equity
ETBCG	Economic Transformation of Black Citrus Growers
FET	Further Education and Training
FIVCRT	Fruit Industry Value Chain Round Table
FMS	False Codling Moth Management System
FNB	First National Bank
FPEF	Fresh Produce Exporters' Forum
GAP	Good Agricultural Practices
IPM	Integrated Pest Management
KPI	Key Performance Indicator

LDARD	Limpopo Department of Agriculture and Rural Development
LDS	Land Development Support
MDARDLEA	Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MRL	Maximum residue level
NAMC	National Agricultural Marketing Council
NLAAC	National Land Acquisition and Allocation Control Committee
NQF	National Qualifications Framework
PALS	Partners in Agri Land Solutions
PDIs	Previously disadvantaged individuals
PPECB	Perishable Products Export Control Board
PPP	Public-Private Partnership
PSC	Project Steering Committee
PUC	Production Unit Code
QMS	Quality Management System
RBX	River Bioscience
SAAGA	South African Avocado Growers' Association
SAFDA	South African Farmers' Development Association
SAFPRO	A Fruit Promoters
SALGA	South African Litchi Growers' Association
SAMGA	South African Mango Growers' Association
SANCU	South African National Consumer Union
SATI	South African Table Grape Industry body
SIZA	Sustainability Initiative of South Africa
SUBTROP	South African Subtropical Growers' Association
TLB	Tractor loader backer
TOC	Top of the Class
TSB	Transvaal Sugar Limited
TWG	Transformation Working Group
UNISA	University of South Africa
USB	Universal Serial Bus
WCDoA	Western Cape Department of Agriculture

1. INTRODUCTION

1.1 The Fruit Industry Value Chain Round Table

Effective dialogue among stakeholders drives meaningful progress. Therefore, the Department of Agriculture, Land Reform, and Rural Development (DALRRD) and Fruit SA established the Fruit Industry Value Chain Round Table (FIVCRT) in 2014. This initiative fosters collaboration among stakeholders to secure a lasting competitive advantage for the fruit sector, including key players such as DALRRD, the Department of Trade, Industry and Competition (dtic), the Department of Employment and Labour (DEL); parastatals like the Perishable Products Export Control Board (PPECB) and the National Agricultural Marketing Council (NAMC); Fruit SA and its member associations; labour unions like BAWSI Agricultural Workers' Union of South Africa (BAWUSA); and civil society.

The FIVCRT comprises six working groups:

- Transformation — Leader: Mr A. Rabe
- Employment & Worker Welfare — Leader: Rev N. Pieterse
- Research and Development — Leader: currently vacant
- Trade — Leader: Mr D. Donkin
- Resources — Leader: Mr A. Kruger
- Local market — Leader: Mr Bonani Nyhodo

This review provides an overview of accomplishments within the TWG during 2023. These are grounded in the 2018 transformation strategy, which aims to achieve a fully transformed fresh fruit industry by 2038 with Black Economic Empowerment (BEE) growers playing a significant role, contributing 30% of fruit production, 30% of exports, and holding 15% ownership across the value chain.

1.2 The TWG

1.2.1. Purpose

The TWG is dedicated to driving change in the fresh fruit industry by promoting the participation of black South Africans – including the youth – in the primary and secondary value chain. The Group oversees the execution of transformation plans and reports on progress towards achieving targets that had been agreed upon.

1.2.2. Focus

It makes sense for the TWG to limit its focus to growth and economic development in transformation, through robust PPPs. These are vital for the profitability and viability of emerging growers' enterprises.

Key areas addressed:

- ownership:
    - increasing the number of black commercial fruit growers
    - increasing black ownership and participation in the fruit value chain in local, national and international markets
    - ensuring that PDIs and previously disadvantaged groups receive property title deeds.
- enterprise and supplier development (business skills, training, mentorship, technical information and extension, access to funding and access to markets)
- management and control (promotion of black people as board members, and for executive roles)
- increasing the capacity of black and skilled human capital in the fresh fruit industry.

1.2.3. Objectives

Drivers:

- transformation-centric development and a framework that encourages existing and new initiatives/programmes in the fresh fruit industry (for individual business success)
- periodic review and redefining of the fresh fruit industry and sub-sector strategies and action plans
- matching the development of economic business models to prevailing circumstances
- creating a platform for the identification and resolution of transformation challenges in the fresh fruit industry
- collating information and statistics on industry initiatives and programmes, and informing stakeholders in and around the sector, through reports and media exposure.

1.2.4. Membership composition

TWG stakeholders:

- Fruit SA CEO
- Transformation managers of the various Fruit SA member associations
- DALRRD officials
- dtic officials
- relevant experts/officials, co-opted when necessary
- labour and worker-welfare representatives.

1.2.5. Meetings and reporting

The TWG meets twice a year and reports quarterly to the FIVCRT, and annually to stakeholders.

1.2.6. Activities and progress

The removal of older, less productive orchards led to a downward trend that impacted hectarage, as well as production and export volumes.

In 2023 the number of fruit farm hectares under black ownership decreased from 32 521 hectares in 2022 to 31 409 hectares in 2023. And the volume of fruit produced by black growers experienced a significant 54.66% decline, falling from 563 384 tonnes in 2022 to 255 419 tonnes in 2023. Similarly, the volume of fruit exports by black growers decreased by 19.31%, from 187 512 tonnes in 2022 to 151 306 tonnes in 2023. However, the area of land under fruit production by black growers saw a modest increase from 16 346 hectares in 2022 to 16 950 hectares in 2023.

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, authorised and resourced by the CGA to address transformation needs in the citrus industry. Between them, they have established a range of support mechanisms for emerging growers.

2.1.1. CGA-GDC

2.1.1.1. Extension services

The CGA-GDC extension services play a critical role in granting black citrus growers access to information on new technologies, which they may adopt to increase their productivity and income, and to improve their standard of living.

Image 1: EC Midlands Study Group

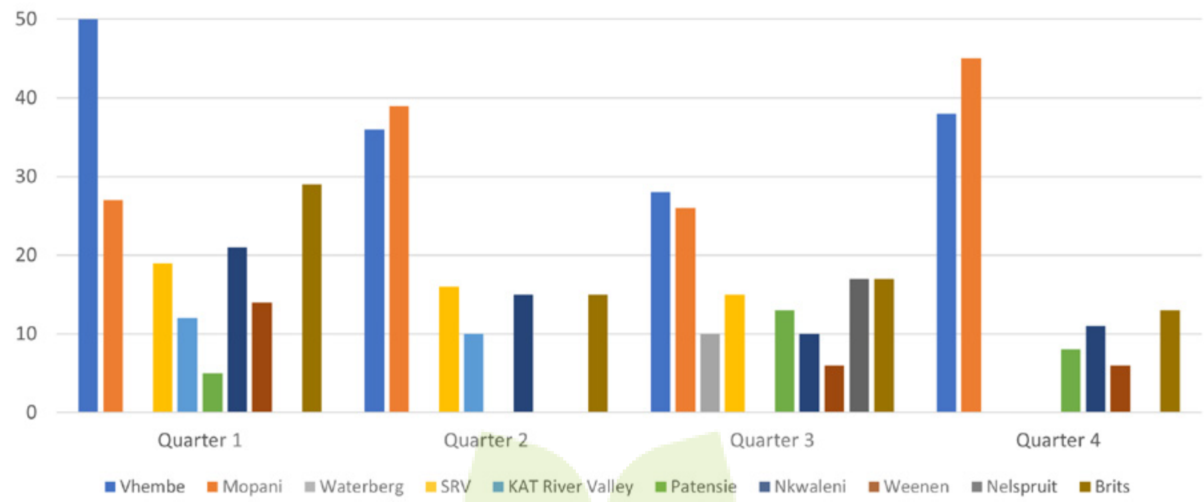
2.1.1.2. Citrus study groups

The main aim of the study groups is to gain knowledge and share best practices among the group members. Since sessions are hosted at a different venue each month, growers can glean techniques from visiting their fellow growers' orchards.

Altogether 10 citrus study groups were hosted (three in the Eastern Cape, three in Limpopo, two in KZN, one in North West, and one in Mpumalanga).

Table 1: Citrus study group attendance

Quarter	Citrus study groups									
	Vhembe	Mopani	Waterberg	SRV	KAT River	Patensie	Nkwaleni	Weenen	Mbombela	Brits
1	50	27	0	19	12	5	21	14	0	29
2	36	39	0	16	10	0	15	0	0	15
3	28	26	10	15	0	13	10	6	17	17
4	38	45	0	0	0	8	11	6	0	13
Total:	**152**	**137**	**10**	**50**	**22**	**26**	**57**	**26**	**17**	**74**



Graph 1: Snapshot of attendance at quarterly study group meetings

2.1.1.3. Information Days

Information days are hosted to provide a forum for growers, extension officers, and other stakeholders to share information and to foster an understanding of the dynamics within black citrus grower enterprises. A total of four information days were planned for the Eastern Cape, Limpopo, KwaZulu-Natal, and North West. Three were held in quarter 2 (Q2) with the fourth held in quarter 3 (Q3).

Information day attendance:

- Limpopo (200+ participants)
- Eastern Cape (90 participants)
- North West (51 participants)
- KwaZulu-Natal (30 participants).

2.1.1.4. One-on-one grower support

One-on-one grower support on farms is the most common form of personal contact between the extension services officer and the grower. These farm visits often constitute over 50% of the extension activities and demand a significant amount of extension officers' time. Hence, it's crucial to clearly define the purpose of these visits and to plan them meticulously.

Primary goals of the visits:

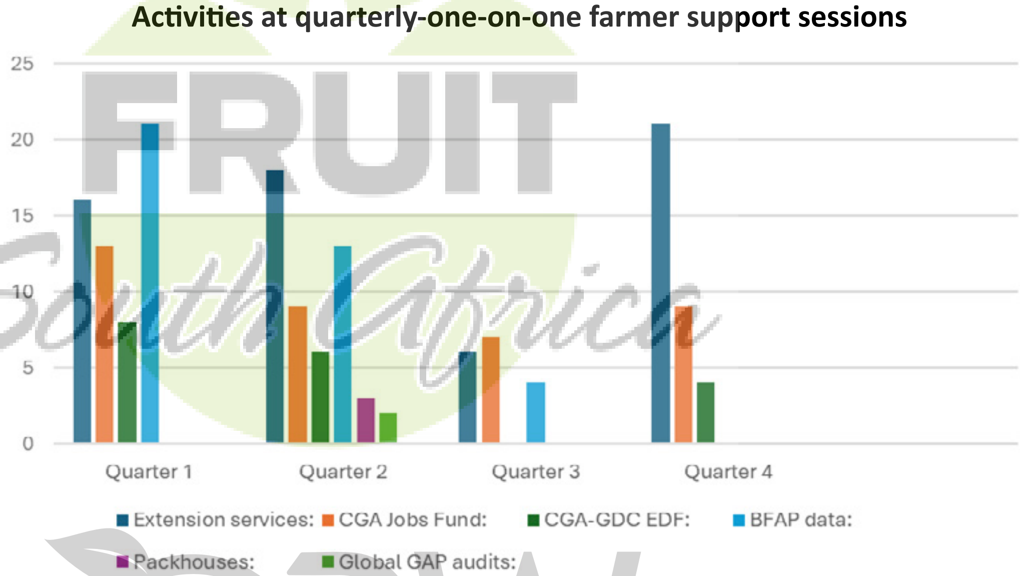
- Connect the extension officer with the grower and his family.
- Enable the extension officer to give specific advice or information to the grower.
- Increase the extension officer's knowledge of the area, and of typical challenges that growers face.
- Permit the extension officer to explain a new recommended practice, or to follow up and observe results to date.
- Spark general interest among the growers and help drive their involvement in extension activities.

Image 2: Harvest for the local market at Thandiz Sandkloof Farm.

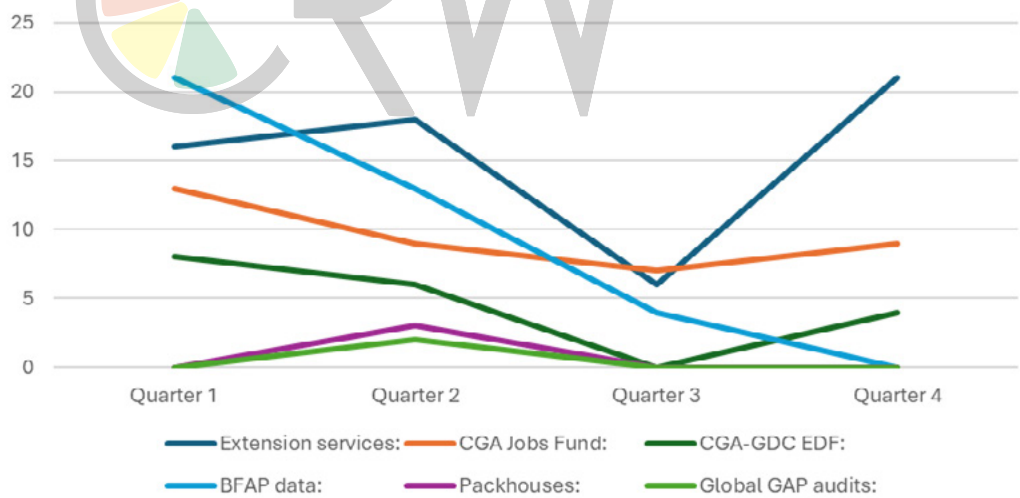
Table 2 shows a total of 160 one-on-one grower visits and quarterly farm visits conducted on black citrus farms in 2023. The visits were further categorised by activity (see Graphs 2 and 3).

Table 2: Breakdown of quarterly farm visits

Quarter	Extension services	CGA Jobs Fund	CGA-GDC EDF	BFAP data	Packhouses	Global GAP audits	Quarterly totals
Quarter 1	16	13	8	21	0	0	58
Quarter 2	18	9	6	13	3	2	51
Quarter 3	6	7	0	4	0	0	17
Quarter 4	21	9	4	0	0	0	34
Totals/activity	61	38	18	38	3	2	160



Graph 2: There was a pique in BFAP data (Q1) and extension services (Q4)



Graph 3: BFAP data showed the sharpest decline, while extension services ended the highest

2.1.1.5. Capacity building workshops

In the Southern African region, agriculture is central to driving economic growth, reducing poverty, and maintaining food security. Capacity building workshops improve critical production skills in agriculture, for:

- easy access to improved, low-cost farm technology
- improved productivity.

The following capacity-building workshops were held throughout the citrus-growing regions in 2023.

2.1.1.6. Citrus Improvement Scheme Workshops

DALRRD and the CGA invited all nursery representatives, eligible growers and sellers of citrus propagating material, as well as citrus growers to participate in the Citrus Improvement Scheme (CIS) workshops held for public hearing and comments. They were also able to submit objections or representations regarding the establishment of this mandatory scheme.

Table 3 gives a breakdown of the CIS public consultation workshops that were held throughout the citrus-growing regions.

Table 3: CIS public consultation workshops

Area/region	Date	Comments
Mpumalanga	3 October 2023	In-person
Limpopo	5 October 2023	In-person
Eastern Cape	22 November 2023	In-person
KZN	6 December 2023	In-person

2.1.1.7. Citrus Research International Citrus Postharvest Workshops

These two-day Citrus Research International (CRI) workshops were held in January and February 2023 to review growers' previous performance and to prepare them for the upcoming harvesting season.

The workshops covered:

- postharvest handling of fruit
- packhouse compliance
- logistics
- fruit rejections per region
- biosecurity
- export (phytosanitary pests and diseases).

2.1.1.8. CRI Citrus Production, Pests and Diseases Management Workshops

These workshops were conducted in May and June 2023 to review the previous production season, and to prepare growers for the upcoming one.

Workshops focuses:

- biosecurity awareness
- the road to integrated pest management (IPM) implementation
- crop manipulation strategies
- maximum residue levels (MRLs) and consumer assurance
- soil and foliar nutrition strategies.

Image 3: Participants in the GDC-River Bioscience (RBX) IPM Support Workshop.

2.1.1.9. Economic Transformation for Black Citrus Growers/Jobs Fund Project

The Economic Transformation of Black Citrus Growers (ETBCG) programme has completed the third year of implementation with approved projects valued at R273 636 319. The programme has reached the end of the disbursement phase and will focus on reporting of key performance indicators (KPIs) until 31 March 2025.

During the period under review, altogether 58 applications were received, including 36 applications that were presented to the Project Steering Committee (PSC) and 21 applications that were disallowed before reaching the PSC, due to either non-compliance or ineligibility for a loan. One application received credit pre-approval.

Of the 36 applications presented to the PSC, five were rejected by the Committee, 13 were rejected by First National Bank (FNB) after PSC approval, five withdrew from the programme, and 13 were approved to implement. One recently pre-approved enterprise is currently undergoing due diligence and technical assessment by FNB.

Funds have also been allocated to 14 projects being implemented by 11 entities across South Africa.

Thus far job creation numbers stand at 1 035 for seasonal and 96 for permanent workers.

Implementation status:

MysticBlue:

R15 million disbursed. Plantings have increased by 7 ha, and hectares planted under the programme are now 46.9 ha. All activities have been completed.

SSE-First application:

Disbursement of R5.6 million from an approved R 6 million. Total reported plantings of 20.7 ha. The grower planned to plant a further 6.5 ha in the next planting season of 2024.

SSE extended:

R15.6 million fully disbursed and paid for working capital. Funds were utilised for the 2023 picking season, and the remaining plantings for the first application.

Luthando:

Approved funding totalled R5.6 million, with R5.3 million received by the grower in 2023. The farm had planted 14.09 ha in total.

Ikamvalethu Farms-First application:

The complete available sum of R30 million has been received by the grower, and implementation of the project is complete. The monitoring and evaluation of the project has begun, with the expectation of job creation as the maintenance requirements of the maturing orchards emerge. To date, 31 permanent and 38 seasonal jobs have been reported for the project.

IkamvaLethu extended:

R30 million has been approved. Disbursement to growers to date comprises access to a R19.2 million loan and a R7.9 million grant. Approved funds are for the development of an additional 100-ha new orchard. To date, the grower has planted 50 ha with revised plans to commence the remaining 50 ha in August 2024, due to a portion of the irrigation not being completed in time (before the 2023/4 planting season ended).

MF Binco:

Total approved funding amounts to R20.1 million. Funds accessed by the grower to date is R17.6 million, which includes a full loan and one grant tranche. Funds have been utilised for the installation of a generator for the packhouse, which enabled the expansion of the packhouse.

Kopano:

Funding of R12.4 million has been approved for Kopano Citrus. To date, R9.8 million has been disbursed – a R7 million loan and a R2.8 million grant. The focus of the project is on the maintenance of the 29.5-ha orchard establishment.

Cedar:

Approved funding totalled R14.8 million. All activities approved for funding have been implemented, with a 15-ha replant, power grid, and solar infrastructure. The total funding disbursed to the grower is a R4.2 million grant and access to a R9.4 million loan. The remaining R1.1 million was allocated to packhouse roof repairs.

Sun Orange Farms:

Of R11.7 million, disbursements to the grower include the first grant tranche of R1.2 million for the activities completed. To date, 5 ha out of 35.5 ha has been replanted.

Sun Orange Farms – extended:

Funding of R46.2 million was approved for a 96-ha expansion. The project has begun, and the grower has submitted no claim of funds.

Manini Holdings:

Funding of R 23.3 million was approved. The grower has since signed the grant agreement and has started with implementation. However, a delay in the loan payout has presented related challenges. The CGA has approved the first R3.7 million tranche of grant funds to assist with implementation.

Patrysvlei Fruitful Company:

Funding of R12.1 million was approved. It's to be utilised for a 15-ha orchard establishment and solar infrastructure. The term sheet and grant document have been signed. Land preparation is underway for the planting of a 15-ha new establishment and the procurement of solar infrastructure.

2.1.1.10. Enterprise Development Fund

The primary objective of the fund is to create an enabling environment for the majority-black-owned enterprises to improve their productivity and competitiveness. The expenditure patterns indicate that fertilisers and chemicals are the cost drivers at farm level. A few farms considered purchasing trees – so, possible expansion at farm level. However, these enterprises face financial uncertainty that emanates from high input costs, price fluctuations, and stringent market requirements.

Image 4: EDF support inputs

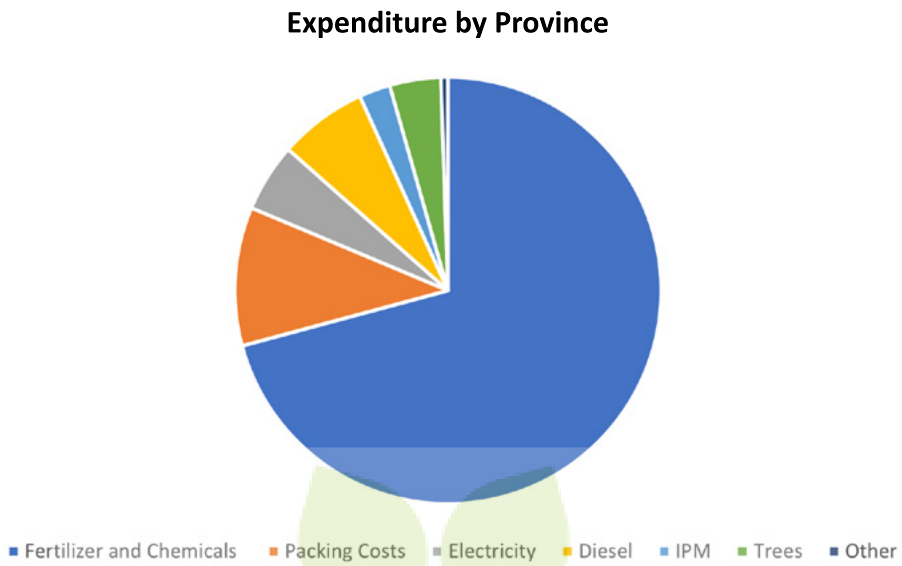
Table 4: Expenditure in different target areas - 2023

Input	Amount
Fertiliser and chemicals	R22 141 097.97
Packing costs	R3 262 477.69
Electricity	R1 608 337.93
Trees	R1 204 375.00
IPM	R735 471.05
Diesel	R2 083 976.81
Other	R166 543.00
Total	**R31 202 279.45**

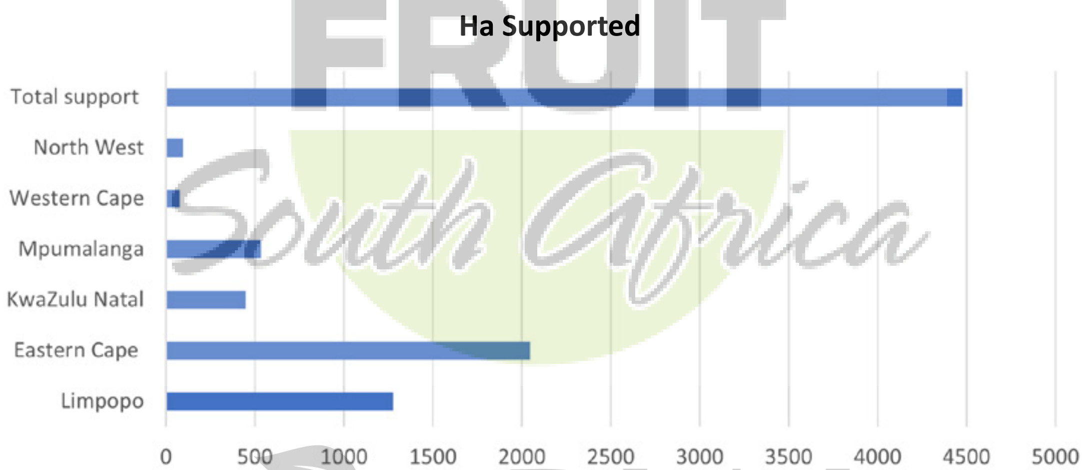
When it comes to provincial spend, the Eastern Cape (with 28 farms) spent the most, with fertiliser and chemicals constituting the largest expense (see Graph 4 and Table 5).

Table 5: Expenditure by province

Province	Number of farms	Spent to date
Eastern Cape	28	R19 868 051.56
Limpopo	9	R1 958 670.57
Western Cape	4	R3 975 200.37
KwaZulu Natal	3	R2 479 772.79
Mpumalanga	3	R1 448 298.00
North West	3	R1 472 285.83
	50	**R31 202 279.12**



Graph 4: Proportionate provincial expenditure



Graph 5: Total supported hectarage

Operational costs in the targeted categories that were funded during this period remain critical for grower development. Orchard-level expansion is also an area for substantive investment to achieve Vision 50 of the CGA. During this period 25 985 trees were purchased, which led to a 52-ha orchard expansion.

2.1.1.11. Government support

The CGA-GDC participates in two programmes under government partnerships, viz. the Comprehensive Agriculture Support Programme (CASP) and the Land Development Support (LDS) Fund.

Comprehensive Agriculture Support Programme:

The CASP is implemented by the Western Cape Department of Agriculture (WCDoA) through its commodity-focused approach, to extend its services to growers within the province. The programme is implemented through the Commodity Project Allocation Committees (CPAC). The strategic goal of this programme is to create a favourable and supportive agricultural service environment for the farming community, including subsistence, smallholder, and commercial land reform growers, as well as those involved in agro-processing within the Western Cape Province.

Progress:

The CPAC received three applications – two from the Cape Winelands and one from the West Coast District. Subsequent site visits were conducted, and a report was produced for each site. Individual project evaluations were also conducted, with two projects not recommended, two scored, and one not scored.

R403 000 was recommended for one enterprise/project that was subsequently referred to the Unit for Technical Assistance (UTA) to assess the empowerment aspect of the project. By the end of the financial year, the CASP business plan had not yet been approved at national level.

DALRRD LDS Fund:

The LDS is aimed at providing comprehensive farm development support to land reform farms. The programme addresses the gaps identified during the farm assessment process, provides full grant support to growers, and is implemented in partnership with commodity organisations. It's being implemented in the North West, Eastern Cape, and KwaZulu-Natal.

Table 6: Progress update regarding grant support beneficiaries

Farm	Province	Target interventions	Status
1	North West	13 ha establishment	Complete
		Mechanisation and equipment	Complete
		Inputs	Complete
		Infrastructure	90% Complete
2	Eastern Cape	20 ha establishment	Complete
		Mechanisation and equipment	Complete
		Infrastructure	Complete
		Orchard maintenance	95% Complete
3	KwaZulu Natal	Mechanisation and equipment	Complete
		19 ha orchard establishment	Complete
4	KwaZulu Natal	38 ha orchard establishment	80% Complete

Partnership with the Eastern Cape Rural Development Agency and the Department of Rural Development and Agrarian Reform:

A tripartite Memorandum of Agreement (MoA) was signed between the Eastern Cape Department of Rural Development and Agrarian Reform (DRDAR), Eastern Cape Rural Development Agency (ECRDA) and the CGA-GDC to support distressed farms and one packhouse in the province. The DRDAR granted R12 462 000 through the grower support grant to cover selected costs.

After grower representatives had been consulted for the most effective distribution model, an agreement was reached for equal distribution of the funds. Each farm was then allocated R499 369.10, with two farms receiving less.

Based on the identified needs, it was decided to allocate funds to two broad expenditure items:

- production costs (electricity, fertilisers, agrochemicals, plant protection, fuel, packing costs, and repairs and maintenance)
- overhead costs (transportation, accounting, administration and auditing fees).

Sales represented the highest cost proportion and transport the lowest (see Table 7).

Table 7: Value chain cost breakdown for citrus export

Activity	Proportion of total costs
Sales	30%
Shipping	18.5%
Receiving and transport at international markets	13%
Packing	13%
Production and picking	11.5%
Other costs (commission, levies, and inspection fees)	9%
Harbour handling	3.5.%
Transport	1.5%
Total	**100%**

2.1.1.12. Integrated monitoring and evaluation

The CGA-GDC is working closely with the Bureau for Food and Agricultural Policy (BFAP) in the development of an integrated monitoring and evaluation system. The platform has been customised to match the requirements of the CGA-GDC. And system and process customisation is dependent on consistent and accurate data structures and inputs. Therefore, great effort has been made to standardise data and maintain accuracy, to facilitate customisation of specific outputs for the Jobs Fund project and requirements within the CGA-GDC. The data requirements for the Jobs Fund and KPIs for the CGA-GDC continue to evolve. However, once the processes and baseline data are available, routine updates and analysis for reporting will be more efficient, with improved accuracy and traceability.

Standardised templates for tree census have been developed and implemented to enable an accurate evaluation of various metrics, and field data is gathered and collated. The system now has seasonal dashboards reflecting available data. In terms of usage, the BFAP and the CGA-GDC held many workshops around the KPIs and the data requirements, to be able to report against the identified metrics.

Three training workshops were conducted to familiarise business, production, and technical support officials with the functionalities of the BFAP platform. These workshops were designed to build capacity among CGA-GDC officials who will use the platform for the monitoring and evaluation of CGA-GDC projects. While the BFAP has updated some aspects of the 2023 citrus tree census, this task will be duly transitioned to the CGA-GDC Information Officer. During the initial phase the CGA-GDC Information Officer will receive support from the BFAP to ensure effective access to and use of the updated platform.

2.1.2. Citrus Academy

2.1.2.1. Talent development

The Citrus Academy Bursary Fund was established in 2006 as a talent pipeline within the citrus industry. The purpose of the Bursary Fund is to provide financial support to students at South African academic institutions who are studying towards qualifications related to the citrus industry. Up until 2023, the Bursary Fund had awarded 1 012 bursaries to 368 beneficiaries, to the value of R30.6 million. Of the 368 individual beneficiaries, 77% are PDIs and 55.2% are women.

The BEE Bursary Support (BEEBS) programme – part of the Citrus Academy Bursary Fund – provides funding to black-owned enterprises. The purpose of BEEBS is to subsidise study costs from school level for relatives of black growers and employees of black-owned citrus enterprises. This helps to develop the internal capacity of these enterprises long term and assists with succession planning. Up until 2023, 297 BEEBS bursaries totalling just over R6 million had been awarded to 78 beneficiaries.

Image 5: Citrus Academy bursary beneficiaries attending the CGA Summit in Gqeberha.

The Citrus Academy has also implemented several workplace learning programmes to grant Bursary Fund students exposure to workplace experience, improving their employability. This includes vacation work, internships, and graduate placements. The Citrus Academy Industry Exposure Programme enables students to attend research symposia and conferences related to their field of study. In 2023 five students benefited from workplace learning programmes, and 10 students were funded to attend industry events.

In the same year the Citrus Academy conducted a career progression survey amongst the Citrus Academy Bursary Fund graduates of the previous 15 years. The data indicated that only 9% of respondents were employed outside the agriculture sector, with 77% employed in agriculture, academia, and the public sector. And 32% of them were employed in the citrus industry.

In 2023 the Citrus Academy piloted the Citrus Secondary Programme, aimed at extending the talent pipeline to high school level. The programme, designed to be implemented at high school level, allows learners to have obtained a qualification in citrus production by the time they matriculate. The programme was piloted at three schools in the Eastern Cape in 2023, with a planned roll-out to all citrus-growing regions in 2024. Role-players in the Academy are excited about the potential contribution of the programme to alleviate youth unemployment in citrus-production regions.

Image 6: Citrus Secondary Programme participants in Kirkwood.

2.1.2.2. Citrus Academy resources

The Citrus Academy produces learning material and audio-visual learning aids dealing with a variety of citrus production practices. To date, these series have covered IPM, citrus planting management, citrus pruning, citrus propagation, plant structures and functions, safe handling of agrochemicals, citrus packhouses, and citrus harvesting. In addition, there is the Monitoring and Inspection for Phytosanitary Markets Module, which serves as the basis for an e-learning programme to certify monitors and inspectors on citrus farms and in packhouses.

Electronic copies of the audio-visual modules are supplied to BEE enterprises on Universal Serial Bus (USB) at no charge and are regularly handed out at study group meetings and information days. USBs are also included in the Citrus Short Courses resource packs. Many owners and staff members of BEE enterprises have been sponsored to attend these courses. The audio-visual modules are also freely accessible on the Citrus Academy YouTube channel. They have been viewed by many growers, packhouse owners, workers, students, lecturers, and extension officers to learn more about citrus production.

The Citrus Academy has developed two best practice handbooks each, for citrus production and packing. The handbooks are freely available and can be used to implement ongoing improvements at citrus enterprises.

2.1.2.3. Citrus Academy Learning Programmes

The Citrus Academy develops learning programmes to meet a range of skills development needs in the citrus industry. Programmes are developed to match the learning needs of specific target groups, relating to matters like content, format, delivery mechanisms, and timeframes.

The learning programmes are targeted at all levels of staff, from seasonal workers to technical managers. Programmes are delivered face-to-face, through the Citrus Academy e-learning platform, or as blended learning. And they vary in length, from short courses to full-length qualifications.

All learning programmes are provided to emergent growers and their employees, at no cost.

2.1.2.4. ETBCG Programme – skills development

Through its ETBCG skills development initiative the Citrus Academy aims to ensure that new and current employees of ETBCG beneficiaries are equipped with the necessary skills and capacity. The Agriculture Sectoral Education and Training Authority (AgriSETA) funds the implementation of related learnerships, skills programmes, and bursaries to the value of R12 988 585 for the duration of the project. The CGA is responsible for the overall implementation, management, and oversight of the project and has tasked the Citrus Academy with implementation of the skills development activities.

In 2023 five learnerships that started in 2022 were concluded, including three Plant Production NQF Level 2 Learnerships in Citrusdal, Brits and the Sundays River Valley, and two Citrus Business Management Learnerships in Nkwaleni and the Sundays River Valley. And these remaining three learnerships have already started: two in Kokstad and one in Citrusdal. Altogether 195 learners participated in these learnerships, which conclude in 2024.

One farm worker skills programme and two packhouse worker skills programmes were also held in Citrusdal, bringing the total of participating learners to 105.

Image 7: ETBCG participants in Umzimkhulu during a practical session on plant production.

2.1.2.5. Emergent grower skills development

The Citrus Grower Development Chamber (CGDC) supported the Citrus Academy in funding training programmes for emergent growers' employees. Altogether 257 learners from 30 enterprises benefited from the courses that included pruning, safe handling of agrochemicals, scouting, and occupational health.

Image 8: Farm workers in a training session on pruning in the North West Province.

2.2. HORTGRO

2.2.1. Introduction

Hortgro is a South African fresh fruit industry association dedicated to the pome- and stone-fruit sub-sectors. Established to support and represent the interests of deciduous-fruit growers, Hortgro plays a pivotal role in creating an enabling environment for growers and value chain role-players to enhance equity, sustainability, profitability, and industry competitiveness.

The deciduous-fruit industry is a major role-player in the agriculture sector, contributing significantly to the economy, job creation and food security. Despite navigating considerable challenges over the past year, it's made significant progress on economic development and transformation initiatives, including a re-focus of the economic development portfolio. These were driven by innovative practices, strategic investments, and a commitment to sustainable development. This review aims to provide a comprehensive overview of these transformation initiatives, highlighting key achievements, challenges, and prospects.

The transformation journey within the pome- and stone-fruit sub-sectors is driven by several critical initiatives that, for the year under review, focused predominately on strategy development and confirmation of aligned objectives. These include enterprise development, business development support and capacity building, as well as learning and development, and socio-economic initiatives.

Key focus areas in transformation and economic development for the year under review, include:

- Strategic partnerships with the WCDoA through the implementation of the CASP support initiatives. This included derisking of pome- and stone-fruit growers to unlock access to finance for several distressed businesses that were impacted by global economic challenges.
- Support provided by the Sustainability Initiative of South Africa (SIZA) for projects that address both social and environmental issues. This facilitates compliance with global market standards and requirements.
- Integrated support to 12 pome- and stone-fruit projects to the value of R13.2 million, through the implementation of the CASP.
- Facilitated support totalling R29 million to a further 15 black-owned businesses that form part of the 50 BCP of the WCDoA.
- Hortfin approved and funded nine pome- and stone-fruit businesses to the value of R74.3 million and created 308 new permanent-seasonal jobs. The contribution of these sub-sectors to Hortfin during this period, amounted to R13.9 million.
- Seven businesses assisted with the compilation and updating of business plans to help scale their businesses through funding applications.
- Six businesses received technical and managerial assistance as part of the post-investment and capacity-building support.
- Approval of the Hortgro Skills Accelerator Programme, valued at R10 million. The programme was established in partnership with the Jobs Fund and will be implemented over the next two years.
- Mentorship and internships provided to 30 youth to gain workplace experience in the pome- and stone-fruit sub-sectors.

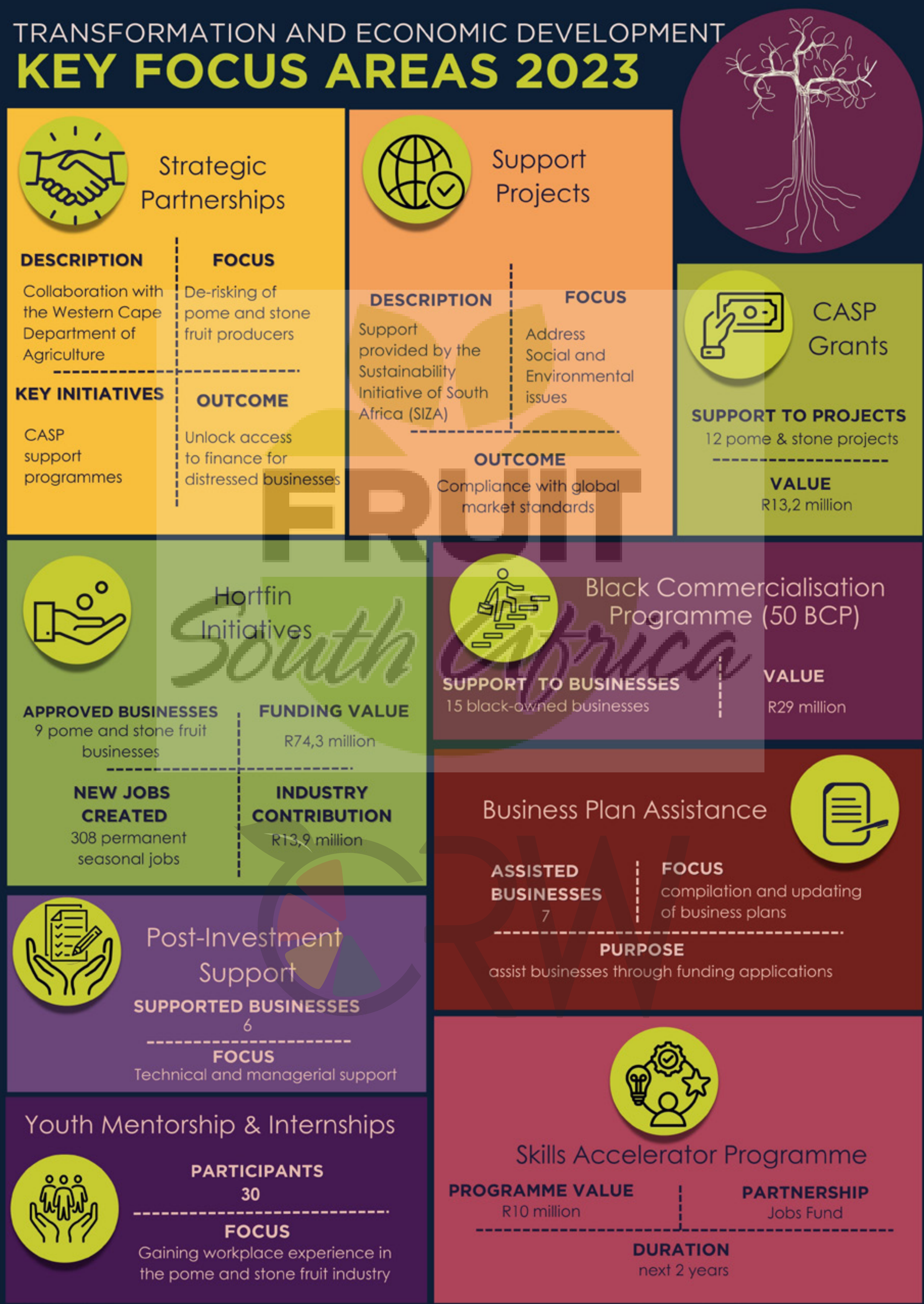


Image 1: Transformation and economic development - 2023 key focus areas.

2.2.2. Pome- and stone-fruit sub-sector transformation initiatives

2.2.2.1. Value chain financing programme: Hortfin

Hortfin is a ring-fenced loan facility established in 2018 and targeted at the deciduous-fruit industry value chain. The facility provides innovative and comprehensive financing and support systems in a manner that promotes job creation, transformation, and sustainability.

During the year under review, Hortfin focused on mobilising resources towards evaluating the existing pipeline to meet the implementation deadline of March 2024. Altogether nine businesses accessed Hortfin loans to the value of R74.3 million during the year, with ongoing support to six businesses. The implementation window has been completed and Hortfin has entered a two-year post-implementation monitoring and evaluation phase.

Table 1 provides an executive summary of the Hortfin programme, from inception to date, with a holistic overview of the programme, role-players, and achievements. A total of 18 pome- and stone-fruit businesses have been approved to date, with many match-funding partners (Land Bank, FNB, Nedbank and ABSA). Other co-financing partners were the WCDoA with a R13 million grant to derisk Hortfin finance granted to several identified entities, as well as other private sector role-players in the form of waived interest owed and subsiding interest rates to match Hortfin rates.

Table 1: Approved funding

Approvals per funding partner	Number of deals	Deal Size (Rand)	Disbursements to date (Rand)	Ha Planted	Permanent Jobs: Target	Perma-nent Jobs: Actual	Seasonal Jobs: Target	Seasonal Jobs: Actual	Training Jobs: Target	Training Jobs: Actual
Landbank	5	114 565 000	113 701 216	94	73	44	640	1207	18	40
FNB	7	41 300 000	36 600 000	10	32	21	287	372	8	2
Nedbank	2	13 750 000	13 750 000	0	63	1	75	1	0	0
ABSA	1	1 000 000	1000000	0	0	0	0	9	0	1
Hortfin Board / other funders	11	259 754 597	99 368 176	9	12	1	35	253	24	12
	26	430 369 597	264 419 392	113	180	67	1039	1842	50	55

Hortfin implementation results:

In Table 1 the substantive amount approved by Hortfin for the ring-fenced loan book to date, as well as co-financiers' (Land Bank, FNB, Nedbank, and Absa) approved portion of the total loan book, indicate the collective focus in the critical area of financing. The same applies to disbursements of the total approved transactions. Implementation of the Hortfin programme has led to the establishment of 113 ha, the creation of 1 842 seasonal jobs and 67 permanent jobs, and the training of 55 beneficiaries.

2.2.2.2. Enterprise development

Over the past year the Economic Development and Transformation office received numerous requests for financial assistance, predominantly for production inputs. This influx highlights widespread cash flow challenges faced by many emerging farming businesses. A comprehensive framework document was developed and approved by the Economic Development Advisory Committee (EDAC), to align with the industry strategy that supports existing enterprises to restore stability within the industry.

The demand for funding exceeds the availability of industry resources significantly. This underscores the importance of prioritising needs and resource enablers. To ensure a transparent, fair, and equitable allocation of available resources, Hortgro followed a formal application process that prioritises farming businesses and allows for measurable impact.

Programme objectives:

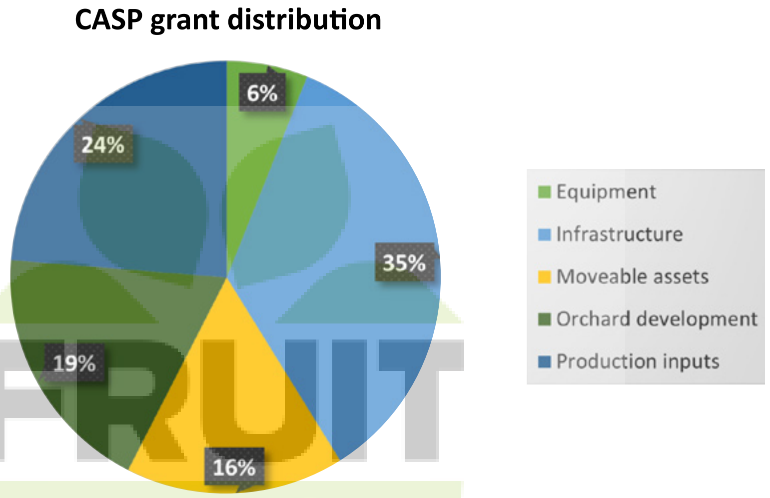
- Invest in the growth of the industry, create efficiencies, and facilitate sustainability.
- Focus primarily on current emerging, black-owned growers/ businesses and create stability, given the economic conditions of the last number of years and their impact on businesses.
- Partner and collaborate with other organisations and/or institutions with similar objectives to augment industry funding and to broaden the impact of these programmes.

Image 2: Business development support recipient Bongani Thobela, from Mpumalanga, with Mariette Kotzé from Hortgro.

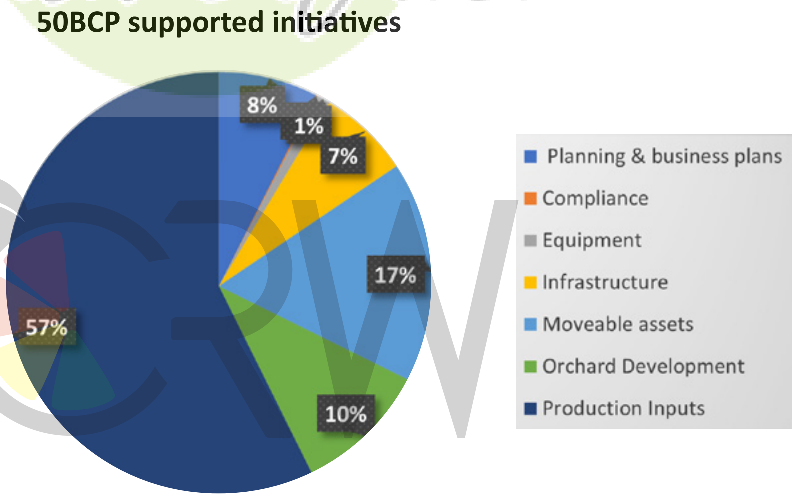
The industry received 14 funding applications for business development support in both traditional and non-traditional areas, totalling R161 million. Due to resource constraints and prioritisation aligned to strategic objectives, the focus was limited to orchard establishment for the period 2023/4. This resulted in the support of only six applications that demonstrated sufficient proof of access to adequate and legal use of water and land. A total of 10.15 ha will be planted between the Western Cape, Free State, and Mpumalanga in the coming financial year.

2.2.2.3. The commodity approach: the CASP for pome and stone fruit

Funds allocated towards fruit projects for 2023 came to R13.2 million for 12 businesses. The WCDoA recently evaluated the agricultural businesses supported by their post-settlement support programme (2019 - 2022). This is the third iteration of this evaluation study – underscoring the focused nature and resultant positive impact of the programme. The report reflects the results of 39 measured success indicators that were used to determine the level of success. Altogether 86 participants from 137 businesses received support. The overall success rate was measured at 83% - an 11% improvement on the previous evaluation done in 2018. Graph 1 shows a breakdown of the CASP grant distribution.



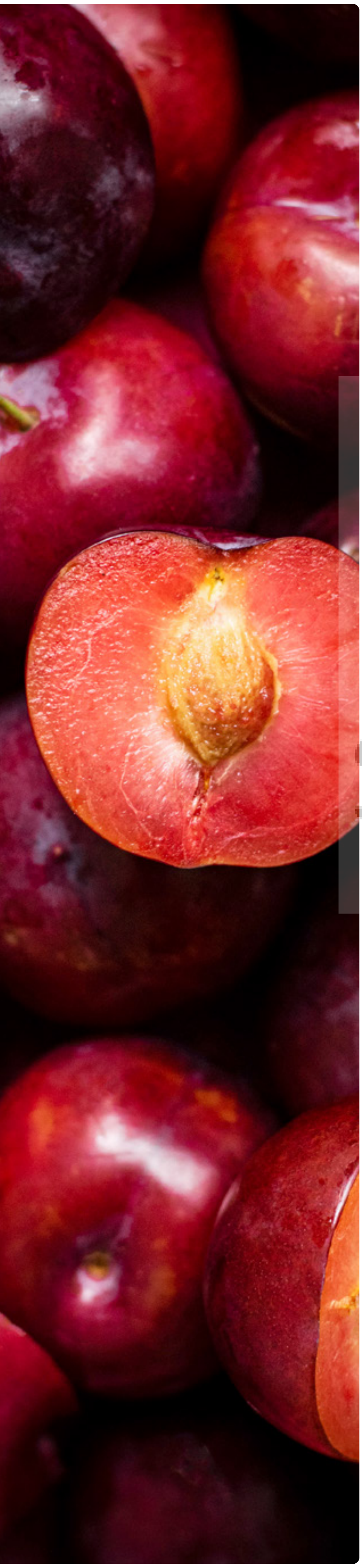
Graph 1: Infrastructure absorbed the largest portion of the CASP grants



Graph 2: Production inputs absorbed the lion's share of the 50 BCP funding

2.2.2.4. The 50 BCP

In 2023 the allocated funds for 50 BCP amounted to R29 million, benefitting 15 beneficiaries in fruit and other commodity businesses. The programme provided ringfenced funding for a specific number of projects aimed at commercialising emerging, black-owned farming businesses. However, it posed challenges from a national reporting perspective, as the Western Cape was the only province with this type of support programme. Hence, the WCDoA has decided to phase out the programme. Moving forward, all fruit applications will revert to being processed by the CPAC. Graph 2 gives a snapshot of the type of support received from the 50 BCP initiatives.



2.2.3. Capacity building

2.2.3.1. Hortgro Skills Accelerator Programme

Hortgro applied to the Jobs Fund for the new Hortgro Skills Accelerator Programme, which was subsequently approved. This is a R10 million programme funded on a 50:50 matched funding basis between Hortgro and the Jobs Fund over two years.

Programme goals:

- Address capacity issues within the industry with a focus on building management capacity for first-generation growers through a business coaching/mentoring programme.
- Support the Hortgro Learning and Development Internship Placement Programme.

This programme is aligned with the four-year strategic and operational plans of the industry, which are part of the economic development and learning and development initiatives. The programme will enable industry to leverage additional funding and broaden its impact and reach. The vision is to contribute meaningfully towards sustainable businesses and enterprise development that will also safeguard investments that were made by both government and the private sector. Altogether 27 businesses will be supported with capacity building over the next two years and about 50 graduates and interns will receive placement opportunities to gain workplace experience. Image 3 is an example of granted practical support for beneficiaries.

Image 3: Mr Peter Dall provides practical technical support to Ricardo and Elouise Volmink (managers at Doorinkloof).

2.2.3.2. Partners in Agri Land Solutions

The Hortgro partnership with Partners in Agri Land Solutions (PALS) is gaining momentum in the Western Cape, as well as in Mpumalanga and the Free State. A Free State working group, which PALS is a part of, was established to coordinate various development projects in this province. The working group consists of industry representatives, as well as new-entrant and established commercial growers.

2.2.3.3. Learning and development

Leadership Development Programme for production managers:

Two groups of junior managers successfully completed this distinctive leadership development programme in 2023. The programme was developed by Mazars and Hortgro with support from AgriSETA.

The programme aims to further develop production managers' skills in the deciduous-fruit industry, thus improving productivity and efficiency on farms and warehouses. It also focuses on personal development, management styles, and each person's unique leadership skills. There is a further focus on network building and establishing this with colleagues in similar positions, creating a lasting network where production managers can support and learn from each other.

The first group of 16 learners consisted of production managers from the wine industry, sponsored by SA Wine. They received their certificates in June.

Image 4: AgriSETA deciduous-fruit industry visit. From left: Astrid Arendse (Hortgro), Frikkie Jacobs, Sive Hobe, Petrus Seruwe, Vinod Swartz, Frikkie Fouche (AgriSETA), Sharon Sepeng (AgriSETA Chairperson), Khanyisa Njengele (AgriSETA) and Johann Coetzee.

2.2.3.4. Mentorship and internship programme

The Hortgro Mentoring Programme currently consists of 30 students who are completing their internships at various farms and packhouses in Ceres, Paarl, Wellington, George and Stellenbosch. These interns constitute students who need to gain practical experience as part of their qualification, as well as graduates who are entering the workforce for the first time.

The interns are exposed to practical work and get the opportunity to put into practice the theory learned during their course. They were further linked to the mentoring programme where the focus is to develop them holistically and to improve their social and life skills, and their communication and interpersonal skills.

The impact of mentorship on the interns' lives and on their assigned farms or packhouses, is exceptional. Hortgro is grateful for organisations that open their workplaces to give these young learners an opportunity to grow. About 80% of the interns who complete the mentoring programme are offered permanent positions.

Bursaries and scholarship support:

Nearly R50 million was invested in the Hortgro Bursary Fund over the last 10 years. In 2023 35 undergraduate students from eight higher education institutions received financial aid to the value of R1.86 million, with 28 post-graduate students linked to the Hortgro research programme receiving bursaries to the value of R2.84 million.

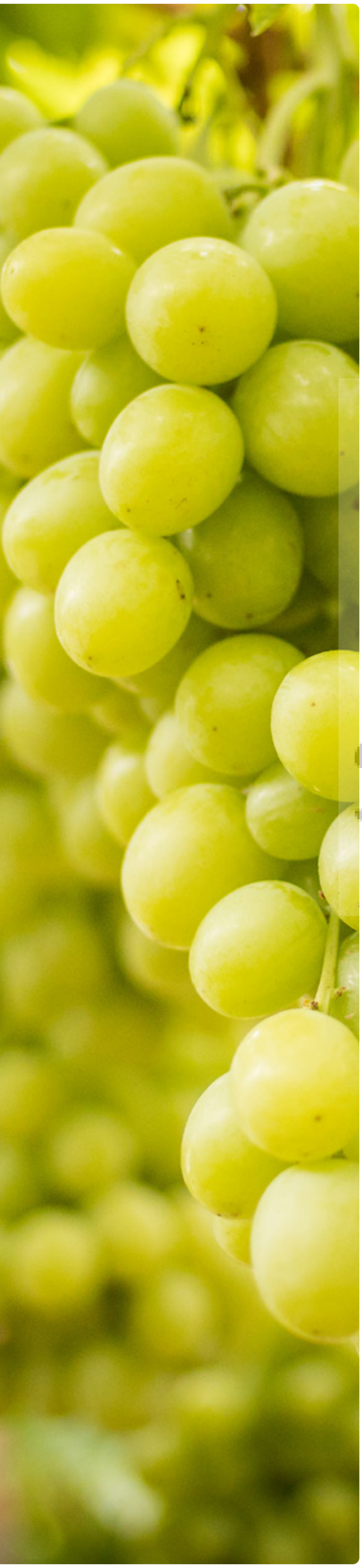
2.2.4. Challenges

2.2.4.1. Limited funding

Despite significant progress, funding constraints limited the scale and reach of some initiatives. Increased efforts to secure additional funding from various stakeholders will be required going forward.

2.2.4.2. Climate change

Climate change and related adverse weather conditions significantly impacted crop yields and farming operations. A continued focus on climate-smart agriculture and resilience-building is essential.



2.2.4.3. Market volatility

Fluctuations in market prices and demand posed challenges for smallholder growers. Strengthening market linkages and diversifying income sources remain priorities.

2.2.5. Future direction

2.2.5.1. Scaling effective programmes

Building on the advancements in its capacity-building and enterprise development support programmes, Hortgro aims to scale these initiatives to reach more growers.

2.2.5.2. Strengthening partnerships

Hortgro is encouraging stronger collaboration with government agencies, private sector partners, and international organisations to pool resources and amplify impact.

2.2.5.3. Monitoring and evaluation

Hortgro prioritises implementation of robust monitoring and evaluation frameworks to assess the impact of its initiatives and to ensure continuous strategic improvement.

The 2023 transformation efforts at Hortgro have laid a strong foundation for continued growth and development. Its focus on inclusivity, empowerment, and sustainability indicates the commitment to drive meaningful change within the deciduous-fruit industry. Gratitude is extended to all growers in the sector, partners, stakeholders, and communities who have supported the industry mission of creating an enabling environment for the pome- and stone-fruit growers and value chain role-players.

2.3. SOUTH AFRICAN TABLE GRAPE INDUSTRY BODY

The South African Table Grape Industry (SATI) body views transformation as creating equal opportunities for black agriculturists and entrepreneurs to participate as owners, co-owners, management or professionals in the table-grape industry and to share in the economic benefits that the industry offers. Approximately 9.5% of total production is executed by Broad-Based Black Economic Empowerment (B-BBEE) businesses in the industry. The strategic objective of SATI is to create a progressive, sustainable, and equitable table-grape industry. And transformation is a critical part of this objective. Mr Hendrik Davids and Mr Warren Bam served as directors on the SATI board for the 2023 reporting period, when SATI obtained a level 4 B-BBEE rating.

The SATI transformation strategy aligns with the Fruit SA Sector Plan, and it actively supports B-BBEE initiatives in table-grape farming areas, with the establishment of bulk infrastructure and the necessary support services. During the 2023 calendar year SATI allocated 24.85% of its levy income to transformation initiatives and supported 10 B-BBEE initiatives (farms). SATI also funded the attendance of young black students at academic institutions.

SATI transformation focuses:

- enterprise development
- skills development
- socio-economic development.

The cited transformation activities are aligned with the NAMC guidelines.

2.3.1. Enterprise development

In the period under review SATI spent R5.5 million on its Vineyard Development Programme. This initiative aims to support black growers in renewing and expanding their vineyards, thereby enhancing yields, quality, and crop protection measures. One such beneficiary is Alec Abrahams of Siyazama Farm (see Image 2) who reaped his first harvest in 2023, since planting the first vineyards through the 2021 Vineyard Development Programme.

Cultivar choice is one of the most important decisions in table-grape production. Most of the first-generation growers had older varieties on their farms. To address this, SATI introduced the Vineyard Development Programme to finance the planting of the latest varieties on a cost-share basis.

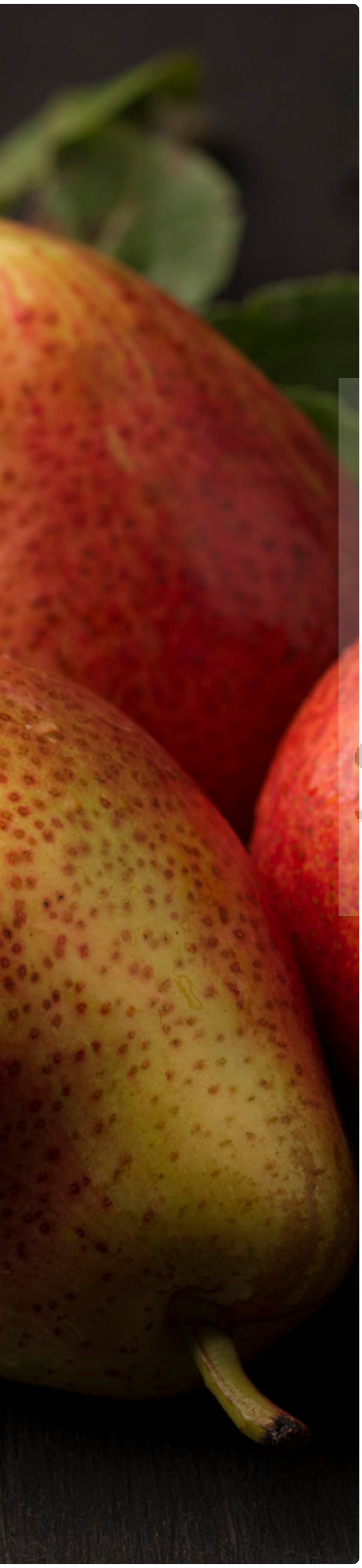
In 2021 SATI expanded the programme to include soil preparation, trellising systems, and irrigation – on a cost-share basis. The most planted cultivars in the last four years were 'Sugra 35', 'Sweet Globe', 'Sweet Celebration', 'Crimson', and the 'ARRAs'. These trends align with the most planted industry varieties in the past few years. Over the last three years R11.5 million was spent on farms through the Vineyard Development Programme.

Image 1: Land preparation (left), and young vines (right) planted in 2023 through the Vineyard Development Programme.

Furthermore, R514 949 was allocated to the help desk and to advisory services for the reporting period, providing growers with approximately R1 million in support for the last three years. This project aims to support potential and existing B-BBEE initiatives with the planning, performance, and compliance of their businesses. The bulk of the budget in the current levy cycle was allocated to resource utilisation studies such as soil mapping, recommendations, mentorship and coaching, as well as information systems. Examples of support provided include borehole yield and quality testing, geohydrological assessments and borehole siting, compliance management, and information systems. The bulk of this budget was spent on specialised services. Importantly, this type of support is demand-driven, as determined by the individual grower's needs. SATI supported growers who were interested in partaking in the Frudata study group.

Obtaining this valuable information assists growers with benchmarking their performance with that of other commercial growers in their area. The Frudata report highlights norms in the area, allowing the grower to identify and rectify areas of concern. Some of these indicators are cost (like direct production cost, and packaging and marketing cost), income per cultivar, and sound and unsound arrivals.

Image 2: Alec Abrahams on Siyazama Farm.



Another notable allocation of R714 231 was made to the Hortfin programme. Hortfin is a ring-fenced loan facility directed at the deciduous-fruit industry value chain. This fund is supported by the Jobs Fund, Land Bank and other commercial banks like FNB, ABSA and Nedbank. It provides financial support from these banks, as well as the Jobs Fund and commodity organisations. This enables those leading eligible table-grape transformation initiatives to apply for loan funding, for assistance with on- and off-farm projects. During the reporting period, approximately R84 million in Hortfin loans was provided to table-grape growers with an additional R80 million expected to be available in the next reporting period.

The collaboration between SATI and the WCDoA through the CASP has also significantly benefited table-grape growers in the Western Cape, providing them with approximately R10.96 million.

2.3.2. Skills development

SATI allocated R696 635 towards 10 bursaries, enabling black students to pursue higher education in agricultural fields. This investment aims to create a skilled workforce and to promote inclusivity within the industry.

Additionally, R89 600 was invested to subsidise the participation of students and growers in the 10th International Table Grape Symposium (10ITGS), hosted in South Africa in 2023. This event provided invaluable learning opportunities, direct networking access to stakeholders from the global table-grape industry, and first-hand access to research outcomes that impact on-farm decisions. Ms Nonkululeko Masikane and Ms Kebo Toolo, former SATI bursary recipients who completed their master's degrees, presented at this international event.

An amount of R149 245 was also spent on modular courses and leadership short courses, enhancing the skills of growers and workers involved in B-BBEE initiatives. All growers have access to industry information through the SATI website where they can find various resources in portals like the information hub and online library, in publications, as well as on production videos.

2.3.3. Socio-economic development

SATI invested R175 900 in initiatives aimed at uplifting communities and improving the overall well-being of farmworkers. This included support for the Agri's Got Talent grower-worker development that provides training workshops and prizes to empower participants with essential skills. During this reporting period, SATI joined in celebrating the 10th anniversary of the Agri's Got Talent competition for farm workers.

2.4. 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 industry body made notable progress in 2023, allowing for the successful implementation of transformation initiatives. Subtrop's commitment to inclusive growth allows for openness, information sharing, transparent markets, and healthy competition and has started yielding positive outcomes.

In 2021 Subtrop established key pillars for smooth progress tracking. Since then, the organisation has witnessed substantial development and a growing willingness to participate in transformation efforts from various stakeholders. Although 2023 was a good year, the industry experienced challenges that hampered efforts to maximise transformation. Nevertheless, Subtrop managed to advance more growers through collaborative efforts with stakeholders such as the Limpopo Department of Agriculture and Rural Development (LDARD), the Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs (MDARDLEA), the national government, and other relevant entities.

The continued support and dedication from commercial growers and long-standing industry contributors have also inspired emerging growers. To promote inclusive growth, Subtrop has increased its transformation investment to facilitate the integration of black graduates into the industry. Additionally, the industry received donations that supported at least 20 growers from 2022–2023. The industry continued to provide bursaries to individuals from previously disadvantaged groups studying horticulture, agricultural economics and other related fields that are vital for industry development.

Subtrop is currently in communication with both the LDARD and the MDARDLEA to establish 300 ha of avocado, mango and litchi orchards over the next five years.

2.4.1. Subtrop Transformation Summit

The Subtrop Transformation Summit held on 25 May 2023 at the Fairview Hotel, Tzaneen, focused extensively on technical and on-farm matters impacting emerging growers. This annual one-day summit gathers government officials, industry and private sector role-players, and growers to discuss growth opportunities and challenges within the subtropical fruit industry. The Summit highlighted significant strides made in achieving inclusive growth in the industry.

In his opening remarks Subtrop CEO Derek Donkin reiterated the principles of equity and competitiveness. He defined equity as inclusive participation for all, and competitiveness as the ability to create a viable business that can compete both domestically and internationally. He also shared Subtrop plans to advance emerging growers so that they can participate meaningfully in the national economy, increase profits, and create much-needed jobs in rural areas.

Wandile Sihlobo, Chief Economist at the Agricultural Business Chamber of South Africa (Agbiz) highlighted the critical role of the sector in driving job creation and economic growth. He presented statistics showing that primary agriculture and agro-processing collectively contribute 7% to the South African GDP and 10% to employment. He also underscored the adverse effects of loadshedding that have led to irrigation issues among emerging growers, and warned of potential drought challenges. Sihlobo also called for accelerated transformation in the sector and emphasised the importance of commercial agriculture in national development.

Image 1: Subtrop growers at the Transformation Summit in 2023.

Subtrop Transformation Coordinator Stephen Mantsho showcased the growth of the total value of exports from black-owned enterprises during the period under review. And he outlined these key focus areas for successful transformation: enhancement of technical knowledge and skills in on-farm production, facilitating access to sustainable markets for black growers, hosting operational study groups, protecting and sustaining current establishments, and fully transforming the industry. Mantsho cited Subtrop's achievements, including increased export output from black growers, and called for a sharpened focus on business sustainability rather than subsistence farming.

2.4.1.1. Notable contributions and discussions

- Thokozile Shabangu from Westfalia Fruit shared their experience in establishing a successful partnership model for a land reform farm in Morebeng.
- Bram Snidjer discussed performance in the litchi sub-sector, focusing on growing conditions, standards, harvesting, and postharvest treatment.
- Khathutshelo Matika, an avocado grower in Vhembe, motivated fellow growers by sharing his journey from managing 100 trees to a fully planted 10-ha farm.
- Portia Mdhlovu, who manages Matsamo Litchi Farms in Malelane, expanded on their growth journey after receiving their farm through land reform. Today, they export 230 tonnes of litchis annually.
- Albert Dikgale from Koeltehuis Farm educated emerging growers on effective farm management and the importance of setting targets and training staff.

Other speakers included Rob Morris who expanded on Global G.A.P, Melford Meletla on SA GAP, and Marla Naidoo on the Rain Forest Alliance.

The sessions were chaired by Derek Donkin, Phillip Mofokeng, Nomonde Ntloko, Shumani Marowe, and Stephen Mantsho. The summit hosts expressed gratitude to its sponsors: Standard Bank, Westfalia Fruit, CHEP, DuRoi, and NovaSun.

2.4.2. One-Hectare Development Project

SAAGA is proud to have completed its first fully funded transformation project. In 2021 SAAGA invested R600 000 to plant 1 ha of avocado trees for six emerging growers. The One-Hectare Development Project is a SAAGA transformation initiative aimed at teaching and training emerging avocado growers in the establishment and management of an orchard. Growers from adjacent farms are occasionally given access to the six farms under the project, to learn about orchard establishment and the management of new orchards. The establishment costs were funded by SAAGA; however, aftercare costs will be covered by the growers. This initiative has linked growers with input providers, packhouses, government officials, and other stakeholder. One such stakeholder is Mununzwu Newco Director Carl Henning who, by supplying his implements, machinery, labour, and production inputs for the pilot project, played a vital role in the establishment and implementation of this initiative.

The One-Hectare Development Project makes for a great case study to explore the benefits of meaningful collaboration between emerging and commercial growers and its impact on industry growth. Also, it's a useful guide for surrounding emerging growers regarding on-point orchard establishment and management. If applied, the learnings from this pilot project will facilitate the development of many more effective transformation projects.

The project aligns with the Fruit Industry Transformation Strategy goal of having a fully transformed industry by 2038 where black people have equitable participation across the value chain. Subtrop strives to create an environment that enables stakeholders to achieve the strategic objectives of the Fruit Industry Transformation Strategy.

Image 2: Land preparation in progress (left) and trees to be planted (right) under the One-Hectare Development Project.

2.4.2.1. Avocado trees donated to Vhembe emerging growers

The completion of the first One-Hectare Development Project has attracted contributions from various establishments such as the Allesbeste Nursery and Specialised Oil Extraction (Pty) Ltd. On 26 May 2022, Zander Ernest of Allesbeste donated 20 000 trees to the Vhembe emerging growers for their development. The One-Hectare Development Project aims to advance these emerging growers to commercial status, hence, this was a significant boost. This substantial donation adds meaningful support to the development of emerging growers, and challenges the industry and other big operations to actively participate in transforming the industry. The donated trees include three cultivars: 'Hass', 'Maluma Hass', and 'Pinkerton'.

In the pilot of the One-Hectare Development Project, SAAGA allocated R600 000 to help growers prepare the land to plant trees, along with Carl Henning. In the second year of implementation, the project encourages emerging growers to invest in land preparations and essential infrastructure. Emerging growers who are interested in participating were able to apply and demonstrate that they had land and could provide labour.

2.4.2.2. Application and selection process

In early 2023 Subtrop published an application process with criteria for participation in the One-Hectare Development Project. Over 40 emerging growers applied, but only 25 were selected for the first phase. Farm visits were conducted for all 25 emerging growers. However, some growers were ill-prepared and were disqualified. To qualify, growers needed to have an existing orchard to demonstrate capability, fencing, irrigation, proof of land ownership, and the ability to prepare the land by a specified date.

2.4.2.3. Current updates

All the trees were distributed to growers on 19 September 2023, with the newly planted trees spanning approximately 65 ha. The post-planting farm visits revealed that 95% of the trees had been planted successfully, with 5% experiencing technical challenges. Growers expressed satisfaction with the development, noting improvements compared to their existing farms. Prior to planting, all participating growers received training on proper tree planting techniques. The LDARD extension officials in Vhembe also play a crucial role in the success of this project. Maitemogelo Mafa, the LDARD coordinator in the region, regularly updates Subtrop on relevant developments. Subtrop has also trained extension officials on the aspects of planting and caring for small trees.

2.4.3. Study groups

Study groups are essential for equipping growers with knowledge. During the year under review Subtrop invited speakers from various organisations to present at these sessions.

2.4.3.1. SAAGA

Image 3: Study group in Vhembe.

Study group information:

- On 26 January 2023 the session covered avocado moisture testing at Amondal Packers in Vhembe. The training was provided by representatives from Prokon.
- On 5 July 2023 in Vhembe Delney Nortjé Conradie spoke about how to care for young trees, weed control, and irrigation.
- On 13 September and 22 November 2023 in Vhembe, the session was used to explore pests and diseases that occur during the fruit season, and preparation for harvesting.
- On 22 September 2023 in Bushbuckridge planting and caring for new trees were discussed.

2.4.3.2. SALGA

Study group information:

- On 10 March 2023 the Vhembe study group hosted a group focusing on postharvest management. Questions on mulching, stack removal, spaying, and general post-management were addressed.
- In a study group on 5 May 2023 Vhembe growers covered various aspects of pruning, farm sanitation, and pre-season management. Several pertinent issues were discussed, including how to help growers with registration for membership in relevant bodies.
- On 7 July 2023 in Vhembe discussions included weed control, irrigation, and pest and disease management.
- On 20 November 2023 in Vhembe, the session covered preparation for harvesting season.

2.4.3.3. SAMGA

Study group information:

- On 6 July 2023 training focused on pest and disease control on foliar, flowers, and fruits.
- On 14 September 2023 in Vhembe discussions centred around pests and diseases that occur during the fruit season, and preparation for harvesting season.
- On 21 September 2023 in Bushbuckridge planting and caring for new trees were discussed.
- On 23 November 2023 in Vhembe training focused on preparation for harvesting season, where harvesting and handling procedures, and postharvest protocols were among topics covered.

2.4.4. Training government extension officers

As part of the memorandum of understanding (MoU) between Subtrop and the LDARD, Subtrop has committed to training government extension officers on the technical aspects of avocado, mango, and litchi production. On 27 and 28 July 2023 Subtrop trained 30 LDARD extension officers on various topics, to equip them to provide accurate advice to emerging growers.

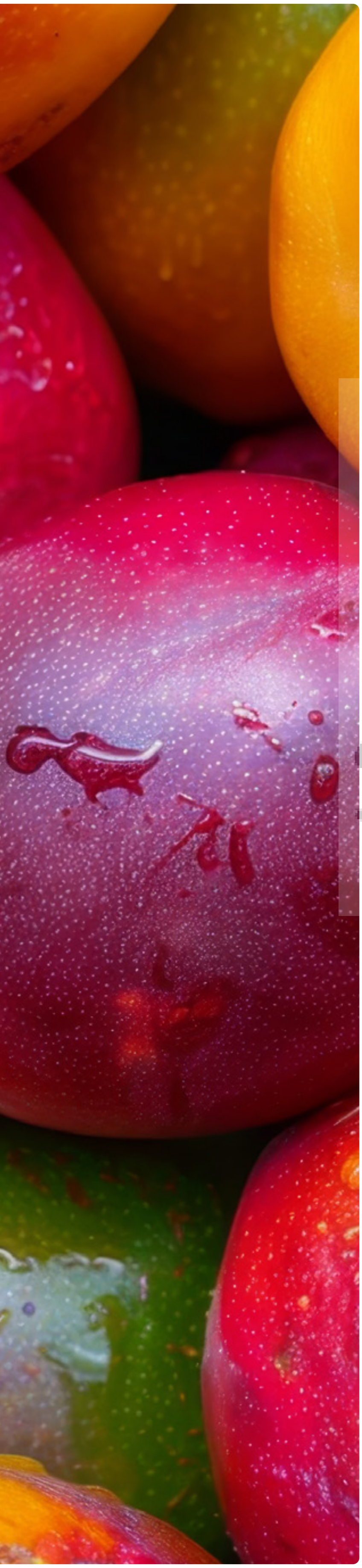
This first training session included:

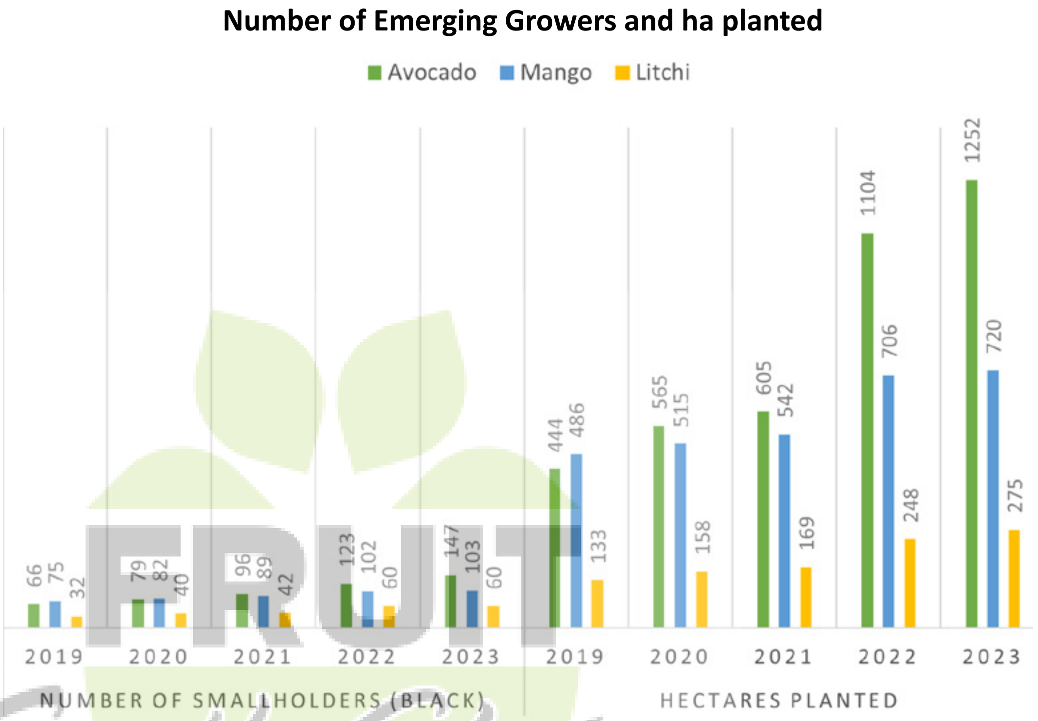
- Land preparation presented by Phillip Mofokeng (Mangeke Estates)
- Planting and caring for young trees, covered by Delney Nortjé Conradie (Westfalia Nursery)
- Pest and disease management, understanding cultivars and rootstocks, and tree phenology all covered by Kondi Munzhedzi and Franco Stander from Subtrop.

Image 4: Training session for LDARD extension officers.

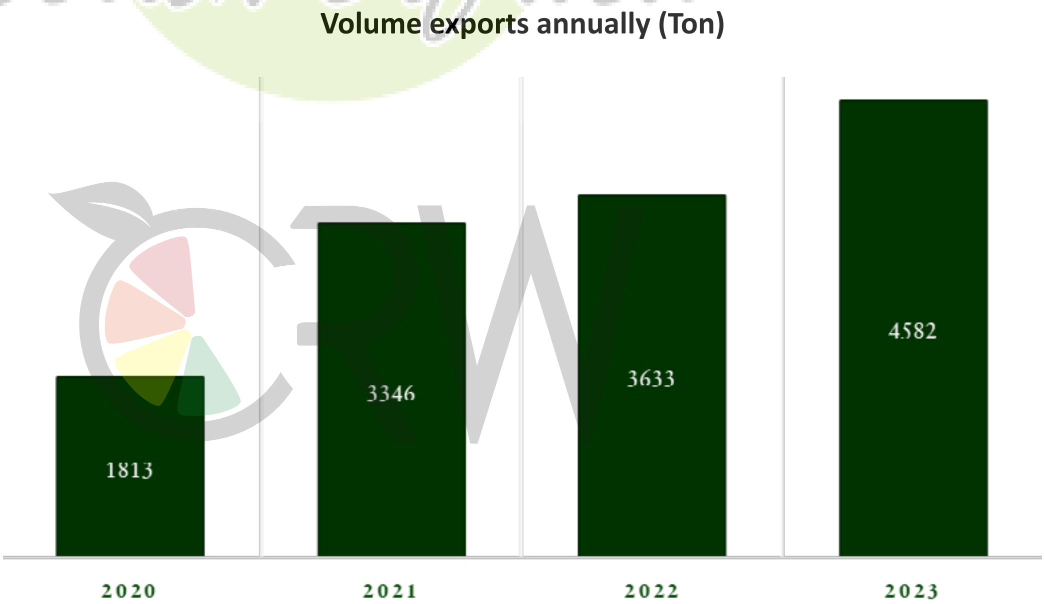
2.4.5. Database

The Subtrop database contains evidence-based information that helps facilitate planning, as well as the provision of customised services and support to tend to growers' evolving needs.





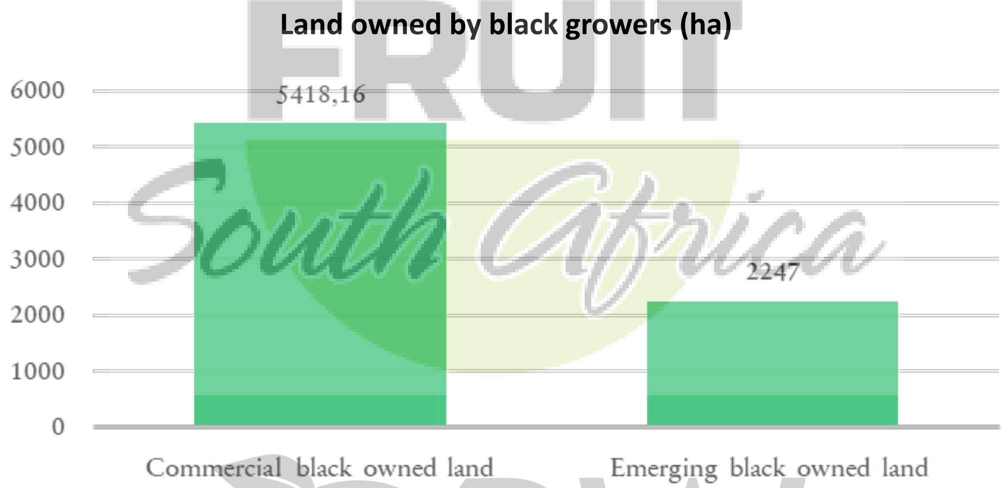
Graph 1: Contextual snapshot of emerging growers and their plantings



Graph 2: Annual export volume

As illustrated in Graphs 2 and 3, Subtrop has recorded a steady increase in both the volume and value of exports over the past three years (2020–2023). For this period the value of exports rose from R36 471 810 to R56 500 000. Exports primarily comprised 2 729 tonnes of avocados, 184 tonnes of litchis, 768.1 tonnes of dried mango, and 521.7 tonnes of juice.

Graph 3: The total annual export value at a glance



Graph 4: Hectarage under black ownership

2.4.6. Transformation success stories

Matsamo Farming Project is a farming operation owned by Matsamo Communal Property Association (CPA) in the Malelane area, Mpumalanga. This thriving land claim project has existed since 2010. The property was first leased to Bono Holding, an entity in Cape Town, then Matsamo CPA took over the management of the business in 2018. Currently, their litchi exports exceed 140 tonnes, and local sales are well over 4 tonnes.

2.4.6.1. Matsamo Farming Project business model

Matsamo CPA operations are governed by three components - a lease agreement, joint venture, and a 100% self-owned and managed entity. Currently, Matsamo Farming Project is a self-managed operation with 2 500 ha in three portions, namely Letubi, Aly-stalin, and the old Laughing Waterfall.

The business has 80 ha of litchi and an unquantified hectarage of banana and sugarcane. Their litchis are exported to European countries, sold for juice production in Malelane, transported to municipal markets in Cape Town and Johannesburg, and some are sold to the bakkie trade. The business owns two packhouses that pack bananas and litchis.

Management:

Matsamo CPA is managed by an executive committee elected by beneficiaries. As an umbrella body Matsamo CPA comprises farms - including Matsamo Farming Project - that are registered under different business entities. Matsamo Farming Project has its own board of directors to oversee processes and ensure on-point implementation.

The business operates with employees from beneficiaries' households. Matsamo CPA keeps a database of beneficiaries and members of their households to ensure that employment is prioritised. Therefore, besides benefiting from dividends, beneficiaries also benefit from job opportunities on their farm.

Image 5: Portia Mdhlovu, General Manager of Matsamo Farming Project.

In 2020 the board of directors appointed Portia Mdhlovu as the general manager of Matsamo Farming Project. She is also a beneficiary of the land claim and holds a diploma in agriculture from the former Lowveld College of Agriculture, (now the University of Mpumalanga), a BTech in agriculture from the University of South Africa (UNISA), and a master's degree in sustainable agriculture from the University of the Free State. Portia started her career as an intern in 2004 at the former Transvaal Sugar Limited (TSB (now RCL Food) in Malelane, focusing on sugarcane. She was later appointed as a sectional head, then in 2011, as a junior farm manager, in 2015 as a senior farm manager, and in 2020 as an agronomist. In July 2020, having resigned from TSB, Portia started working as a general manager at Matsamo Farming Project. She later employed two sectional heads and an accountant as part of middle management.

At Matsamo Farming Project Portia manages all aspects of the farm from production, harvesting, packaging, and distribution to the harbour matters, the Cape Town Market, and juice factories. The farm is accredited by Global G.A.P and other entities, and the PPECB inspects the products designated for export from the packhouse. She is also responsible for the spraying programme and marketing requirements.

Grant application:

In 2018 Matsamo Farming Project applied for grant funding from the provincial government, which was received in 2021 and implementation started in 2022. The farm received a bakkie, tractors, a tractor-loader-backhoe (TLB), a truck, and farm implements. And through this grant, the farm is able to employ more permanent and seasonal employees. They were also assisted by the South African Farmers' Development Association (SAFDA) to develop a business plan for the fund to be approved.

Image 6: Market ready 2kg packaged litchi.

Long-term goals:

Soon the business will be planting new mango orchards and more litchi hectares. They are also planning to improve their packhouses to align with current technology.

2.5. FRESH PRODUCE EXPORTERS' FORUM

The Fresh Produce Exporters' Forum (FPEF) is an industry body within Fruit SA. It represents the players in the second half of the fruit export value chain, such as exporters and providers of logistics services. The FPEF has a vision for and a commitment to industry transformation, to facilitate a significant shift in the inclusion and sustainable participation of black South Africans within secondary agriculture in the fresh produce export value chain.

2.5.1. The FPEF Graduate Placement Programme

The Graduate Placement Programme is the flagship transformation programme of the FPEF, with the greatest potential to transform the industry in the long term. The momentum that the programme has gained over the past few years was continued in 2023. Fourteen black graduates found employment in the fresh produce export industry, despite a difficult export environment.

Since the programme was launched in 2016, 68 graduates have been appointed in roles within the industry. And to date 70% of the graduates have been permanently employed in fixed-term contracts. The FPEF takes pride in the high retention rate of the programme.

Agrijob, a service provider to the FPEF, handles recruitment on behalf of the programme and provides a high service level. They first meet with individual FPEF member companies to understand their needs before introducing them to suitable candidates. The FPEF covers the recruitment fees and contributes R5 000 per month towards the salaries of each appointed graduate, for the first 12 months.

Interaction amongst the graduates is important, to develop professional and social contacts, build relationships, and exchange information. Hence, peer-to-peer networking is facilitated via a WhatsApp group, and the FPEF organises an annual networking event for the graduates. In October 2023 Fruitworks (an FPEF member company) hosted the networking event for the first time and it was a great success. They have generously offered to also host the 2024 networking event, with exciting plans to grow its reach and impact.

2.5.2. Top of the Class Fruit Export Value Chain Training Programme

The Top of the Class (TOC) Programme covers the fruit export value chain - from harvest to home. The Programme is mainly aimed at employees in junior to middle management within fruit export companies, packhouses and logistics companies. However, it is also a valuable training tool for emerging growers and exporters.

Participants gain an excellent understanding of the entire value chain, together with additional knowledge and insight into their individual areas of responsibility (see Image 1). Training under the TOC Programme covers topics like quality management, compliance, cold chain management, primary production, packing and packaging; road, sea and air freight; and documentation, consumers, markets and the role of exporters.

Altogether 83 individuals completed the course in 2023. This brings the total number of people trained to 1 287, since the Programme was initiated in 2004. In 2023 the Programme was presented in an interactive, online format in May and was also scheduled for October for the training of 30 industry employees. The course was also presented to altogether 35 employees at two FPEF member companies.

Image 1: Fruitways employees during TOC training in Aug 2023.

2.5.3. Market access for emerging growers and exporters

In January 2023, FPEF Transformation Manager Johannes Brand facilitated a training session to help prepare emerging fruit growers from the Western Cape to attend Fruit Logistica Berlin in 2023. The session was sponsored by the WCDoA.

The FPEF, in collaboration with PALS and Koue Bokkeveld Opleidingsentrum, facilitated a two-day export market access training session for emerging growers in September 2023. It took place in the rural town of Op-Die-Berg, close to Ceres in the Western Cape (see Image 2). A similar two-day training session that included the assistance of an IsiXhosa interpreter, was scheduled for October in Ceres.

Image 2: PALS growers and FPEF Transformation Manager Johannes Brand at an export market access training session

These training sessions are focused on providing the growers with a comprehensive overview of the export process, which is set into motion once the fruit leaves the farm. The training is intended to assist growers in understanding export economics, market dynamics, and the role of export agents. This helps strengthen relationships between growers and export agents and improves export market access.

In addition, the FPEF continues to assist aspiring and emerging exporters through a help desk that guides them in becoming export ready, while focusing on risk management. The FPEF also provides emerging exporters with free membership, including full benefits, for at least two years.

2.5.4. FPEF annual transformation webinar

The FPEF hosted its seventh annual transformation webinar on 19 September 2023. The goal of the webinar is to equip business leaders to facilitate proactive and effective transformation within their enterprises. The speakers were Jonathan Goldberg and Athol Trollip. Goldberg is the chairman at Global Business Solutions and has been a business leader in the changing landscape of labour law for the past 20 years. Trollip is a well-known politician, former Mayor of Nelson Mandela Bay, motivational speaker, and a former grower. Currently, he is the provincial chairman of ActionSA in the Eastern Cape.

Image 3: Johnathan Goldberg

In his talk, Jonathan Goldberg (Image 3) unpacked the implications of the new Employment Equity (EE) Amendment Bill on businesses. He highlighted the fact that 94% of employers surveyed by the Director General of the Department of Employment and Labour were found to be non-complaint with the current employment equity legislation. Goldberg asserts that employers can avoid non-compliance and fines if they either meet the EE targets or keep adequate records to justify not meeting them.

Trollip (Image 4) reminded participants of the devastating effect of the 1913 Native Land Act in South Africa, which led to evictions, expropriation, relocation and segregation. The Act is responsible for much of the trouble that currently hampers transformation efforts in the South African agriculture sector. However, he believes that with a lot of time and effort invested by both government and the private sector, this legacy can be overcome. Trollip also shared some of his experiences relating to the time that he was contracted to support the backing by SA Fruit Promoters (SAFPRO), of 13 black citrus growers in the Eastern Cape and two packhouses serving the growers. SAFPRO is a member company of the FPEF.

Image 4: Athol Trollip

2.5.5. FPEF BEE certification

The FPEF achieved BEE compliance with level 8 recognition as a Qualifying Small Enterprise under the amended agriculture sector scorecard for specialised entities. This followed a BEE audit conducted in September 2023.

2.5.6. Government and industry collaboration

The FPEF serves on the Horticulture Sector Sub-Committee and the Sectoral Skills Committee of the AgriSETA, to represent the interests of FPEF members within the AgriSETA.

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