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FRUIT INDUSTRY VALUE CHAIN ROUND TABLE (FIVCRT)

TRANSFORMATION WORKING GROUP (TWG)

ANNUAL REVIEW

2022 EXECUTIVE SUMMARY



1. INTRODUCTION

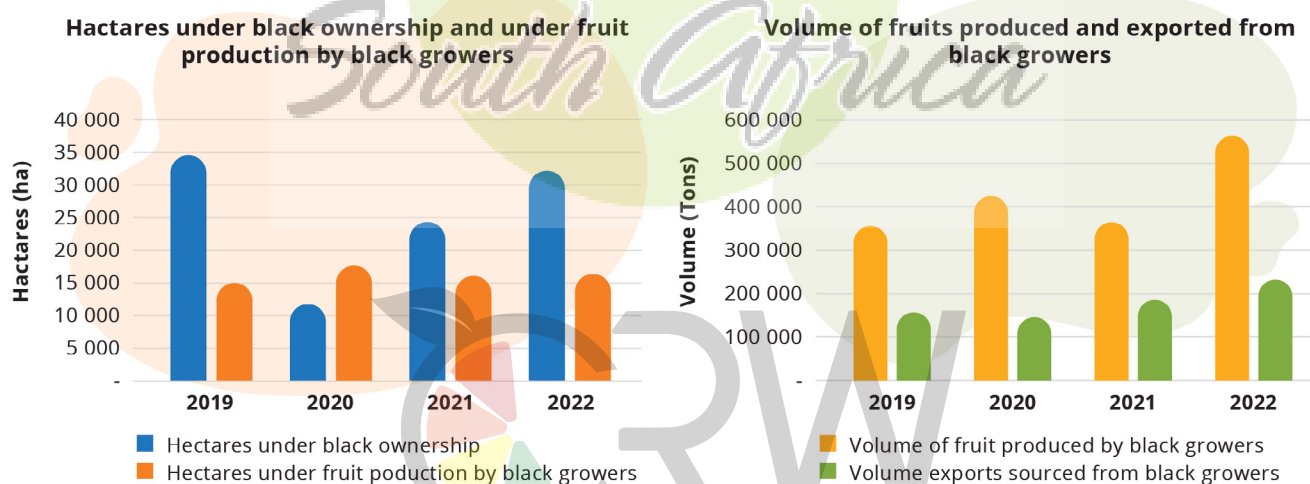


1.1 CONTEXT

Measured progress in transformation requires effective dialogue between relevant stakeholders. Therefore, the Department of Agriculture, Land Reform and Rural Development (DALRRD) and Fruit SA established the Fruit Industry Value Chain Round Table (FIVRCT). It seeks to foster collaboration amongst stakeholders to secure an enduring competitive advantage for the fruit sector. The work of the FIVCRT is divided into six working groups, viz. transformation, employment and worker welfare, research and development, trade, local market, and resources.

This document is an executive summary of the fifth transformation report, and it reflects on the transformation programmes of Fruit SA member associations. All indicators and activities contained in this document link back to the transformation strategy, which was adopted in 2018. The strategic goal is to have a fully transformed sector by 2038 with Black Economic Empowerment (BEE) growers contributing 30% of fruit, 30% of exports, and 15% ownership across the value chain.

The number of fruit farm hectares under black ownership increased from 24 435 in 2021 to 32 521 while the number of hectares under fruit production by black growers increased by 1.7% from 16 077 to 16 346 in 2022. A 55.2% increase from 362 893 tonnes in 2021 to 563 384 tonnes in 2022 was recorded on the volume of fruit produced by black growers. The volume of exports sourced from black growers increased by 25% from 183 526 tonnes in 2021 to 229 439¹ tonnes in 2022.



¹ This excludes Subtrop export figures.

2. SUBSECTOR REVIEWS



2.1 CITRUS GROWERS' ASSOCIATION OF SOUTHERN AFRICA (CGA)

The CGA 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.

The CGA-GDC serves as a conduit for CGA transformation through the enterprise development of black citrus growers. It provides services such as business planning and support, study groups, information days, extension services, and overall enterprise development. Harnessing public-private partnerships (PPPs), the CGA-GDC also assists with sustainable and holistic programmes like the Economic Transformation of Black Citrus Growers Programme (ETBCG), the Land and Development Support Programme and others to aid the development and support growers within the industry.

The Citrus Academy uses skills development to draw young minds into the industry. This includes the Citrus Academy Bursary Fund which aims to provide financial support to learners at learning institutions studying towards qualifications related to the citrus industry, the implementation of workplace programmes exposing bursary students to work experience to improve their employability, and developing study materials and short courses that are delivered through classroom-based teaching and online learning. In 2022 the Citrus Academy continued to implement the ETBCG skills development initiative in five citrus growing regions.

Some citrus industry achievements:

Up until 2022 the
Citrus Academy had awarded

**969 Bursaries to
354 beneficiaries**

to the total value of

R28.6 Million

Of the **354 individual students**
who have benefited from it,

78% are previously disadvantaged
individuals (PDIs)

and **55.4% are women.**

**Ninety bursary graduates
are working in the citrus
industry** and a further 85 of
the 252 graduates are in the
wider agricultural sector,
government departments and
agencies, as well as academia.

Up until 2022 278 BEE Bursary Support
(BEEBS) bursaries had been awarded to
76 beneficiaries, to the value
of **R5.5 million.**

**The CGA-GDC disbursed
R35 266 726.46 to 81 projects
under the Enterprise Development
Fund programme.**

**Four new-entrant
citrus growers were
recorded by the
extension team.**

The number of exporting
growers declined from
78 in 2021 to 76 in 2022.

**About 8.8 million cartons of all citrus
exports were from black growers.**



2.2 HORTGRO

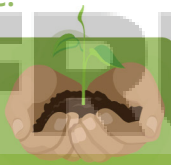


Hortgro is a national umbrella deciduous fruit commodity body for the pome fruit and stone fruit industries. The deciduous industry is committed to sustainable development and inclusivity, which is evident in various initiatives aimed at creating a globally competitive, equitable, unified, and economically transformed deciduous fruit Industry. Hortgro acknowledges that collaboration with stakeholders like the Western Cape Department of Agriculture (WCDoA), national stakeholders, and Fruit SA is key to achieving an inclusive and sustainable industry. During the period under review, an Economic Development Advisory Committee (EDAC) was established to offer guidance and input for the economic development strategy, ensuring alignment with industry needs and existing government guidelines, which signifies industry commitment to driving economic development and transformation.

The industry transformation objectives comprise BEE, land reform, skills and capacity building and socio-economic development. These objectives are pursued through strategic partnerships with industry stakeholders, government entities, and commercial growers, emphasising the importance of public-private partnerships.

Some achievements by Hortgro to date:

The number of **BEE entities** which are **100% black-owned** stood at **42**, with **36** through equity shareholding.



There were **seven 100% black-owned packhouses**, three cold storage entities, two nurseries, five in marketing, one in agro-processing, and 2 input suppliers.



The total BEE area planted to?
Pome and stone fruit was 4 475 ha, which is 8% of the total industry area.



For the equity schemes, **there were two owned packhouses comprising of black ownership**, one cold storage entity, one in marketing, and three in agro-processing.



2.3 FRESH PRODUCE EXPORTERS' FORUM (FPEF)



The FPEF is a voluntary, non-profit organisation with more than 140 members accounting for over 90% of fresh produce exported from South Africa. Members of the FPEF comprise fruit exporters, grower-exporters, export, and marketing agents, packhouses, logistics businesses, and other service providers.

FPEF Graduate Placement Programme; the Emerging Exporters' Comprehensive Support Programme; the Top of the Class (TOC) fruit export value chain training programme and the Emerging Grower and Emerging Exporter Market Access Support all count among the FPEF transformation initiatives.

The FPEF envisions facilitating a significant shift in the inclusion and sustainable participation of black South Africans within secondary agriculture in the fresh produce export value chain and remained committed to this vision during the period under review.

Some of the transformation achievements by the FPEF:



16 graduates were appointed at 11 FPEF companies in 2022.

A total of 54 graduates were appointed since the inception of the Graduate Placement Programme in 2016, 72% of which were appointed to permanent positions following their initial 12-month trial during the same period.

FPEF showcased its graduate programme to students from 6 universities across multiple disciplines

(Universities of Stellenbosch, Pretoria, Free State, Kwa-Zulu Natal, Limpopo, and Mpumalanga) during the Agrijob's AgriCareerConnect virtual career fair.

As part of the Emerging Farmer and Emerging Exporter Support Programme, a training session was facilitated by the FPEF Transformation Manager, to aid in preparing eight emerging fruit growers from the Western Cape - sponsored by the WCDoA - to attend Berlin Fruit Logistica.



Since the inception of the TOC programme in 2004 about 1 208 industry employees in junior and middle-level management positions, and emerging growers and exporters were trained. **In 2022 a total of 90 people received training under the same programme.**

2.4 SOUTH AFRICAN TABLE GRAPE INDUSTRY (SATI)



SATI remains committed to building an inclusive and sustainable table-grape industry and maintaining the status of South Africa as the preferred country of origin to retailers around the world.

With its transformation strategies aligned to the NAMC guidelines, SATI is fully immersed in helping to enhance the viability of the agriculture sector. In its strategic approach, SATI facilitates and supports transformation within the table-grape industry by focusing on advocacy for transformation projects at the farm level, enhancing economic development, land reform, training, and capacity building.

For SATI transformation encompasses creating equal opportunities for black agriculturists and entrepreneurs to participate as owners, co-owners, managers, and professionals in the table-grape industry; and sharing in the economic benefits that the industry offers.

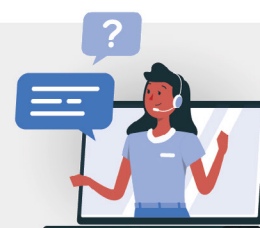
Some transformation achievements by SATI in 2022:

Supported emerging growers with approximately R3 million through the Vineyard Development Programme, including the first woman of colour.



Collaborating with Hortfin, SATI facilitated access to finance of over **R80 million to BBBEE growers.**

A total of **R351 694** was **spent on the Helpdesk** and Advisory Services, to equip BBBEE growers to make sound production, financial and marketing decisions.



SATI facilitated and funded a **study tour to California** for two transformation growers, to the value of **R1.14 million.**



Six land reform beneficiaries were subsidised by SATI to attend a leadership programme facilitated by Mazars.

mazars



In 2022 SATI **supported 12 black students with subsidised tuition fees**, study material, accommodation, and living expenses. All 12 bursary holders are youth, comprising six females and six males.



2.5 SOUTH AFRICAN SUBTROPICAL GROWERS' ASSOCIATION (SUBTROP)



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 subtropical industry has continued to support emerging growers to ensure their participation in the value chain. In the transformation context, Subtrop focuses on enabling technical knowledge and skills of on-farm production, opening, and enabling sustainable markets for black growers, hosting operational study groups, protecting and sustaining the current establishment, and participating in fully transforming the industry.

Some of the Subtrop milestones:

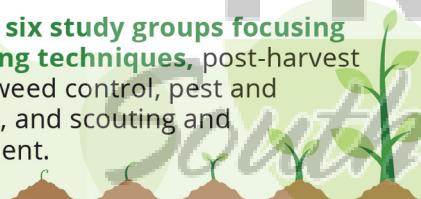
Subtrop continued to **link emerging growers with suitable mentors** through its mentorship programme. The programme continued to grow with more commercial growers gaining interest.



SAAGA awarded a bursary to one student studying towards a Plant Science diploma.



SAAGA hosted six study groups focusing on post-planting techniques, post-harvest management, weed control, pest and disease control, and scouting and farm management.



SALGA hosted **four study groups** focused on pests and diseases, harvesting, post-harvest management, record-keeping, and marketing.



SAMGA hosted three study groups focused on mango flowering, fruit protection, harvesting, marketing, post-harvest management and PUC registration. The Subtrop Grower Development Programme was funded by Agri-SETA and developed by Subtrop to train 20 emerging avocado growers on farming operations, agri-performance management, financial management, sales and marketing, and strategic farm management.



The number of black growers registered as fully-fledged members of the Subtrop member associations increased by 25.6% from 227 in 2021 to 285 in 2022 while the hectares planted by black growers increased from 1 316 ha to 2 058 in the same period.

Commodity	Number of smallholders (black)			Hectares planted		
	2020	2021	2022	2020	2021	2022
Avocado	79	96	123	565	605	1104
Mango	82	89	102	515	542	706
Litchi	40	42	60	158	169	248



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