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**FRUIT INDUSTRY VALUE
CHAIN ROUND TABLE (FIVCRT)**

Transformation Working Group (TWG)

**ANNUAL
REVIEW**

2021



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FIVCRT TRANSFORMATION WORKING GROUP CONVENER FOREWORD

The inclusion of black participants within the fruit value chain remains a key priority for the fruit industry. Since 2017 the Transformation Working Group (TWG) has been tracking transformation efforts within the fruit industry, as defined by the fruit industry transformation strategy. This publication reflects specifically, the 2021 activities aligned to the fruit industry transformation strategy and relevant achievements.

At an agriculture-sector level, one of the highlights of 2021 was the compilation of the agriculture and agro-processing masterplan (AAMP), aimed at promoting inclusive growth, competitiveness, transformation, employment and food security. The AAMP and the fruit industry transformation agenda are aligned, and the industry will play its part to ensure the successful implementation of this plan.

In 2021 the fruit industry forged ahead with the implementation of its transformation initiatives, as highlighted in this publication. Challenges in the operational environment continued, and were reflected in a decline in hectareage and volumes of fruit produced by black growers. This decline was mainly due to the abandonment of some large citrus farms due to social challenges in the affected enterprises.



Anton Rabe

However, the said challenges should not take away from the hard work that the commodity organisations (Fruit SA members) have done, and the milestones reached to date. The industry has continued to address the bottlenecks that previously disadvantaged individuals (PDIs) faced with great courage, and the importance of public-private partnerships is reiterated with such initiatives being rolled out by the industry. These partnerships are even more relevant when viewed against the backdrop of the perceived slow momentum of the fruit industry, due to its long-term nature and various barriers to entry. Indeed, there are many variables to consider when measuring black growers' progress in their participation in the fruit industry.



LIST OF ABBREVIATIONS AND ACRONYMS

AAMP	Agriculture and Agro-Processing Master Plan
AgriSETA	Agriculture Sector Education Training Authority
ARC	Agricultural Research Council
BAWUSA	BAWSI Agricultural Workers Union of South Africa
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BEEBS	Black Economic Empowerment Bursary Support
BFAP	Bureau for Food and Agricultural Policy
CA	Citrus Academy
CDC	Citrus Development Chamber
CEO	Chief Executive Officer
CGA	Citrus Growers' Association of Southern Africa
CGA-GDC	Citrus Growers' Association Grower Development Company
CPAC	Citrus Commodity Project Allocation Committee
DAFF	Department of Agriculture, Forestry and Fisheries
DALRRD	Department of Agriculture, Land Reform and Rural Development
DARDLEA	Department of Agriculture Rural Development Land and Environmental Affairs
DEL	Department of Employment and Labour
DFDC	Deciduous Fruit Development Chamber
DFI	Deciduous Fruit Industry
DPAC	Departmental Project Allocation Committee
DTIC	Department of Trade, Industry and Competition
ETBCG	Economic Transformation of Black Citrus Growers
FET	Further Education Training
FIVCRT	Fruit Industry Value Chain Round Table
FMS	False Codling Moth Management System
FNB	First National Bank
FPEF	Fresh Producer Exporters' Forum
GAP	Good Agricultural Practice
IT	Information Technology
LDARD	Limpopo Department of Agriculture and Rural Development
LDS	Land Development Support
MoU	Memorandum of Understanding
NAMC	National Agricultural Marketing Council
NLAAC	National Land Acquisition and Allocation Control Committee
NQF	National Qualifications Framework
PDIs	Previously Disadvantaged Individuals
PLAS	Proactive Land Acquisition Strategy
PPECB	Perishable Products Export Control Board
PPP	Public-Private Partnership
PSC	Provincial Steering Committee
SAAGA	South African Avocado Growers' Association
SALGA	South African Litchi Growers' Association
SAMGA	South African Mango Growers' Association
SANCU	South African National Consumer Union
SASRI	South African Sugarcane Institute
SATI	South African Table Grape Industry
TOC	Top of the Class
TWG	Transformation Working Group
USB	Universal Serial Bus
WCDaA	Western Cape Department of Agriculture

1. INTRODUCTION



1.1 The Fruit Industry Value Chain Round Table (FIVRCT)

The Fruit Industry Value Chain Round Table (FIVRCT) is a dialogue process amongst industry stakeholders, established by the Department of Agriculture, Land Reform and Rural Development (DALRRD) and Fruit SA. It seeks to foster collaboration amongst stakeholders to secure an enduring competitive advantage for the fruit sector. The main stakeholders are various government departments [DALRRD, the Department of Trade, Industry and Competition (dtic) as well as the Department of Employment and Labour (DEL)], parastatals [the Perishable Products Export Control Board (PPECB) and the National Agricultural Marketing Council (NAMC)], Fruit SA and its member associations, as well as labour unions [e.g. BAWSI Agricultural Workers Union of South Africa (BAWUSA)] and civil society (South African National Consumer Union (SANCU)).

The work of the FIVRCT is divided into five working groups:

- Transformation (Leader: Mr A. Rabe)
- Employment and Worker Welfare (Leader: Rev N. Pieterse)
- Research and Development (Leader: Mr W. Bestbier)
- Trade and Market Access (Leader: Mr D. Donkin)
- Resources and Infrastructure (Leader: Mr A. Kruger)

This review is part of the work of the Transformation Working Group (TWG). All indicators and activities are backed by 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) producers contributing 30% of fruit, 30% of exports and having 15% ownership across the value chain. To achieve the 2038 goal, five main strategic objectives with measurable indicators have been set.

1.2 Purpose of the TWG

The purpose of the TWG is to facilitate, monitor, measure and report on the agreed transformation plans and targets. This is to ensure the entry and sustainable participation of black South Africans, including the youth, in the economy of the primary and secondary fruit value chain.

1.3 Focus of the transformation working group

The TWG limits its focus to the economic development and growth dimensions of transformation, which are required for sustainable and profitable businesses. It addresses the following key areas:

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

1.4 Objectives of the TWG

These objectives are set to help achieve the TWG purpose:

- i. to develop targets and a framework for transformation in the fresh fruit industry that encourages existing and new initiatives/programmes (to help ensure the success of enterprises)
- ii. to periodically review and redefine the fruit industry and subsector strategies and action plans
- iii. to develop different economic business models for different circumstances
- iv. to create a platform from which transformation challenges in the fruit industry can be identified and resolved
- v. to collate information and statistics on fruit industry initiatives and programmes, and to inform all stakeholders in and around the sector of transformation activities and progress, through reports and media exposure.

1.5 Membership/composition of the TWG

The TWG comprises the following stakeholders:

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

1.6 Meetings and reporting of the transformation working group

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

2. ACTIVITIES AND PROGRESS OF THE TWG

The number of fruit farm hectares under black ownership increased from 11 720 in 2020 to 24 435 in 2021 while the number of hectares under fruit production by black growers declined from 17 469 in 2020 to 16 077 ha in 2021. The decline was mainly due to abandonment of some big farms due to social challenges and removal of old orchards without proper succession planning. The volumes of fruit produced by black growers decreased from 424 702 in 2020 to 362 893 tons in 2021. A survey conducted by the Fresh Producer Exporters' Forum (FPEF), has shown that 22 of its members are on a black-ownership status.

3. SUBSECTOR REVIEWS



3.1 Citrus Growers' Association of Southern Africa (CGA)

The Citrus Growers' Association Grower Development Company (CGA-GDC) and the Citrus Academy are non-profit companies, mandated and resourced by the CGA to address transformation needs in the citrus industry. Between them, they have put in place a range of support mechanisms for emerging growers.

3.1.1 The CGA-GDC

Economic Transformation of Black Citrus Growers Programme (ETBCG) – Enterprise Development

Table 1: Progress on the Economic Transformation Project

Applications received	42
Technically assessed	34
Reviewed by Provincial Steering Committee (PSC)	31
Rejected by PSC	6
Rejected at credit stage	11
Withdrawn	4
Pipeline applications	5
Ready for PSC	5
On hold, pending reprioritisation	1
Rejected at first attempt (did not meet requirements)	4
Projects at implementation stage	5
Hectares planted	32.25
Amount disbursed	R16 054 423



ETBCG Mystic Blue Farming Gate



ETBCG Sikhula Sonke Enterprises Replant

Enterprise Development

The funding criteria was reviewed and approved by the Citrus Development Chamber (CDC) and at board level. Regional roadshows served as a platform for producers to obtain further information about the funding and to be assisted with the application processes. A memorandum containing information on the roadshows was also sent out inviting applications.

Appended in the communication was the Enterprise Development Fund criteria, application form and application instructions, including contact details for enquiries and submission of applications. These sessions were aligned with existing activities on the ground such as study groups, information days, and training. The support comprised of 10 in-person sessions and one virtual.

A total of 24 applications were received from the regional offices and submitted to the Manager for Business Support. Applications were for the following areas:

- irrigation infrastructure and irrigation materials – mostly requesting assistance with boreholes due to water shortages in different areas
- mechanisation and equipment – in the form of tractors and sprayers for chemical applications
- fencing – growers highlighted major challenges with theft, and crop damage caused by animals
- orchard establishment costs (soil preparation, irrigation, planting costs, etc.)
- production inputs – fertilisers and inputs
- trees - mostly supported with payments of deposits for trees
- equipment – such as bush cutters and mulchers.



Tractor Purchased for Intathakusa Farm



Tractor Purchased for Muka-Tangi Farm

Export Value Chain Training

The CGA-GDC and the FPEF hosted the Export Value Chain training in Fort Beaufort and Sundays River Valley respectively.

The four full day training sessions included these topics:

- SA Fresh Fruit Trade Chain: then and now
- Quality Management
- Cold Storage and Cold Chain
- Picking, Packing and Packaging
- Road and Rail Transport
- Exporters' Role in the Trade Chain
- Sea and Air Freight
- Logistics, Forwarding, IT and Research
- The Consumer Worldwide.



Export Value Chain Training in Fort Beaufort EC

The training, attended by twelve people, was hosted at Cape College in Fort Beaufort, with these participating farms: Greenwood, Oakdene, Letas, Gatyena, Lovers Retreat, Hudzuza, Zanentlutha and Siyamila. At the SSE Training Centre in the Sundays River, the following farms were represented, with 14 people in attendance: Glengrove, Siyathemba, Siyaphambili, Peter Family Trust, Entabeni, Three Pence, Luthando and Nomzamo.

DALRRD Land Development Support Project

Three provinces are targeted for this project, namely: North-West, KwaZulu Natal and Eastern Cape. The programme is for selected Proactive Land Acquisition Strategy (PLAS) farms.

Progress is as follows:

North-West

Bathlako Temo Farm received the following support:

- movable assets and equipment: five trailers, pruning saws, harvesting bins, picking clippers and picking bags
- establishment of a 13ha orchard
- support for purchasing inputs for the previous season's spray programme, for 27ha of the orchard
- building and completion of a storage shed; the structure is 20m wide, 3m in length and has a column height of 4.5m
- purchase and installation of pipes for the dam
- the workers' houses are still in the pipeline.

KwaZulu Natal

Two projects were approved by the Departmental National Land Acquisition and Allocation Control Committee (NLAAC) and presented at the provincial land allocation forum. Both projects were supported, subject to the outcomes/completion of agricultural assessment reports. Parallel to this activity, a bank account was opened for each farm at First National Bank (FNB). Tripartite contracts were also signed between the grower, the CGA-GDC and DALRRD.

Eastern Cape

Three Pence was approved for the Land Development Support (LDS) to the value of R13 961 970.12, and the implementation plan has been developed and signed. The main areas of support include orchard establishment and maintenance, mechanisation and infrastructure.

Citrus Commodity Project Allocation Committee (CPAC)

A call for applications was opened through the districts in the Western Cape and only two applications were received from farming entities. The value of the applications came to R1 340 000 and R2 140 593 respectively. One entity was recommended for tabling at the Departmental Project Allocation Committee (DPAC). Members also recommended project assistance to obtain alternative land, as the current lease arrangement had clauses that are non-beneficial to the lessee. Production inputs were supported to the value of R600 000.

CGA-GDC Agricultural Extension Services

The establishment of proper institutional structures such as the citrus study groups is crucial to enable emerging citrus growers to share ideas related to production, marketing, research and other strategic issues such as research priorities.

New-entrant growers

This type of support is given to new growers who want to start farming with citrus. The extension and business officers assist these growers with the assessment of their areas and to test for suitability of citrus cultivars. The assessment focuses on the availability of natural resources such as water, soil types and climatic conditions. Five farms were assisted (see Table 2).

Table 2: New-entrant growers

Name of farm	Hectares under citrus	Area	Province
Allendale	40	Bushbuckridge	Limpopo
Craighead	20	Letsitele Valley	Limpopo
Kemo Farming	8	Ramatlabama	North West
Kopano	20	Marble Hall	Limpopo
Manini Holding	40	Marble Hall	Limpopo

Study Group Meetings

During the year under review a total of 23 citrus study group meetings were held from quarter 2 to quarter 4 in all the citrus growing regions. These meetings played a major role in communicating the production, technical and marketing information to emerging citrus growers. The citrus study groups were also used as a platform to communicate the CGA-GDC Enterprise Development Fund and ETBCG Programme criteria as well as the application procedures to the growers. The study groups also created an opportunity for the growers to meet and share their successes and challenges.

Information Days

Information days, which are held per province, are currently hosted in four provinces, i.e., Eastern Cape, Limpopo, KwaZulu Natal and North West. The citrus information days draw large numbers of audiences with the aim of encouraging emerging growers, extension officers and other related stakeholders in the citrus industry to come together and share citrus production and marketing information. The citrus information days have become an institution for citrus growers in these four provinces.

One-on-one grower support

The one-on-one grower support sessions are aimed at assisting growers to address specific challenges relating to citrus production and marketing. These sessions also serve as a platform to follow up on challenges raised during the citrus study groups, information days and meeting sessions. A total of 193 visits were conducted by CGA-GDC extension officers in the southern and northern regions.

Value chain participation of black growers

Currently, 124 black citrus growers own a total of 7 869ha under citrus production. In terms of market performance, about 6 million cartons of all citrus exports were from black growers, with over 200 000 tons sold to national fresh produce markets. The number of exporting growers rose from 50 in 2020 to 78 in 2021.

3.1.2 Citrus Academy

Citrus Academy Bursary Fund

The purpose of the Bursary Fund is to provide financial support to learners at academic institutions all over South Africa who are studying towards qualifications related to the citrus industry. Up until 2021, the Bursary Fund had awarded 905 bursaries to 338 beneficiaries, to the value of R25.6 million. Of the 338 individual students who have benefited from it, 78% are PDIs and 55% are women. Eighty-eight Citrus Academy Bursary Fund graduates are now working in the citrus industry – some in management positions, with a further 74 employed in the wider agricultural sector, government departments and academia.

The BEE Bursary Support (BEEBS), which is part of the Citrus Academy Bursary Fund, provides support 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 develops the internal capacity of these enterprises over time and assists with succession planning. Up until 2021, 255 BEEBS bursaries had been awarded to 74 beneficiaries, to the value of just over R4.9 million.

The Citrus Academy has also implemented several workplace learning programmes to expose Bursary Fund students to workplace experience, thereby making them more employable. This includes vacation work, internships and graduate placements. The Citrus Academy also has an industry exposure programme to enable students to attend research symposia and conferences related to their field of study.

Citrus Academy learning aids and programmes

The Citrus Academy develops written learning material and audio-visual learning aids dealing with a variety of citrus production practices. To date, the Academy has developed audio-visual series dealing with integrated pest management, citrus planting management, citrus pruning, citrus propagation, plant structures and functions, and safe handling of agrochemicals. In 2021, a new audio-visual series was developed titled Citrus Packhouses, and the Citrus Harvesting series was updated. The Monitoring and Inspection for Phytosanitary Markets module serves as the basis for an e-learning programme to certify monitors and inspectors on citrus farms and in packhouses and was also updated in line with the changes to the False Codling Moth Management System (FMS).

Electronic copies of the audio-visual modules are made available to black growers on USB at no charge and are regularly handed out at study group meetings and information days. USBs are also part of the Citrus Short Courses resource packs, which many BEE growers have been sponsored to attend. In addition, the audio-visual modules can be accessed at no cost on the Citrus Academy YouTube channel, where many growers, packhouse owners, workers, students, lecturers, extension officers, and many others, have viewed them to learn more about citrus production.

Citrus Academy E-learning Programmes

The Citrus Academy is not only committed to keeping up with the latest developments in skills delivery, but also to enable the provision of training programmes to remote rural areas by supplying mobile learning resources. In keeping with these objectives, the Academy launched its online learning platform in 2019. In 2021 the Citrus Academy online programmes were expanded with the addition of Citrus Short Courses. Despite challenging circumstances, the Academy was able to continue servicing the skills development needs of the citrus industry.

In the period under review, 81 black learners completed the following programmes: Citrus Business Administration, Citrus Export Supply Chain, Citrus Production Short Course, COVID-19 Compliance Officer Training, and Monitoring and Inspection for Phytosanitary Markets. Of those, 38 were women and 42 were youths. Other e-learning programmes that are currently available include the Citrus Industry Induction and Citrus Packing short courses.

Citrus Short Courses

In 2018 the first Citrus Academy short course was held in Fort Beaufort, in the Eastern Cape. Based on industry needs, the Citrus Academy developed short courses for citrus production, citrus export supply chain, and citrus packing. In 2021, 23 black growers and learners associated with BEE citrus enterprises attended citrus short courses, of which 13 were women and 15 were youths. Of those, eight were sponsored.

The Citrus Production short course focuses on citrus production practices. To date, 23 workshops have been held, attended by 425 learners. The Citrus Production short course continued to be hailed by the learners as being very informative, especially the site visit.

The Citrus Export Supply Chain short course was launched in 2019 and was very well received. The site visit for this course takes place at the harbour, with the learners particularly enjoying being shown around the different ports. Seven workshops have been held, attended by 80 learners.

In 2021, the Citrus Packing short course was updated in line with the audio-visual modules that were developed.



Citrus Production short course learners in the orchard

ETBCG Programme – Skills development

The ETBCG skills development initiative aims to ensure that new and existing employees of ETBCG beneficiaries have the necessary skills and capacity. The Agriculture Sectoral Education and Training Authority (AgriSETA) funds the implementation of learnerships, skills programmes and bursaries related to the programme to the value of R12 988 585, over the three-year duration of the project. The CGA is responsible for the overall implementation, management, and oversight of the project and has tasked the Citrus Academy to implement the skills development activities.

In 2021 the Academy implemented five Plant Production (NQF level 2) and two New Venture Creation (NQF level 4) learnerships, in addition to five Citrus Business Administration and eight Farmworker Induction skills programmes. Through these programmes, 143 learners achieved learnership qualifications and 289 completed skills programmes in Brits, the Nkweleni Valley, Fort Beaufort, Thohoyandou, and the Sundays River Valley. Bursaries were also awarded to ten beneficiaries at various tertiary institutions in South Africa. All but two learners involved in the programmes were PDIs, and 242 of the participants were women.

3.2 HORTGRO



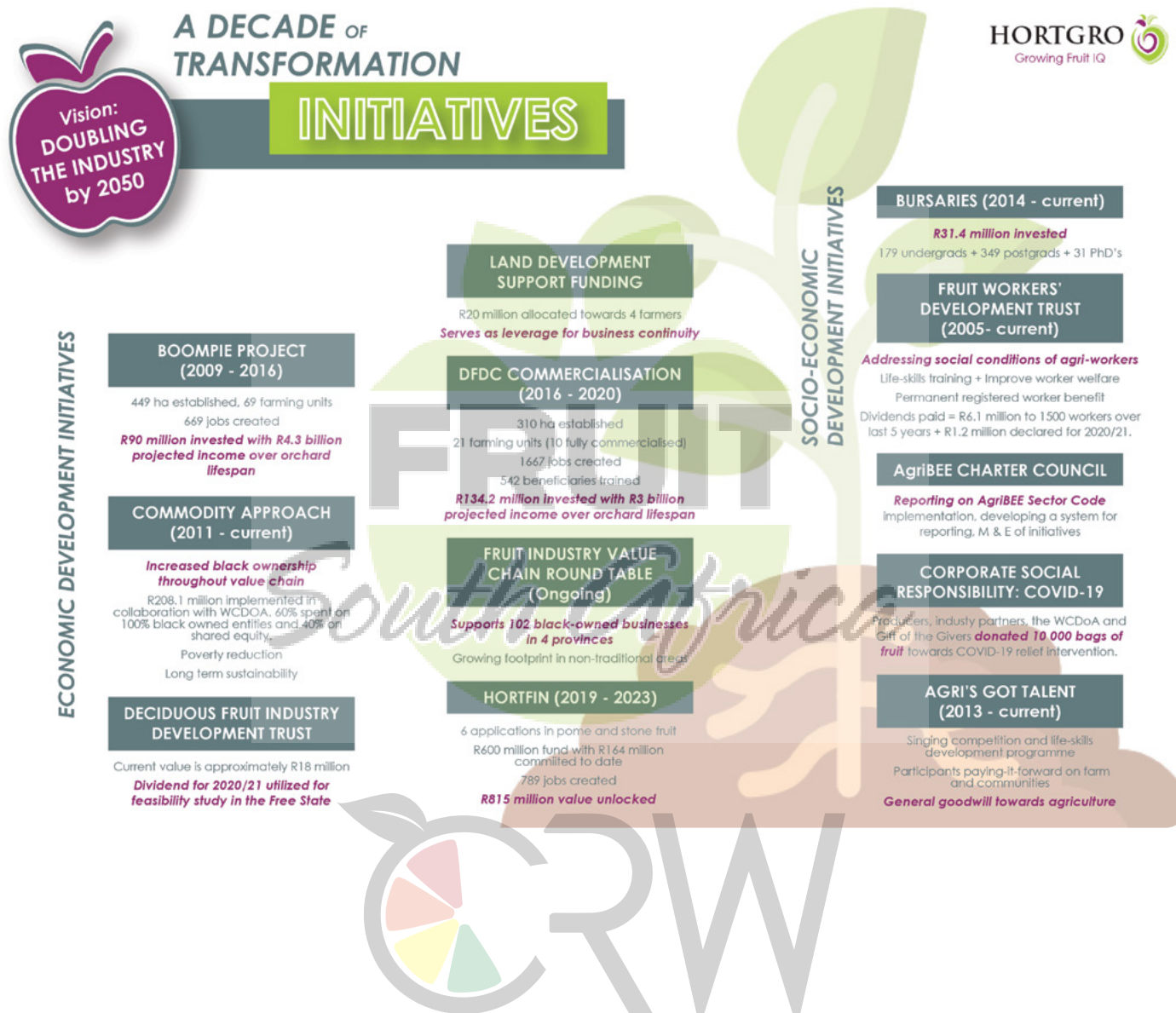
Hortgro is the national umbrella deciduous fruit commodity body for the pome fruit (apples and pears) and stone fruit (plums, prunes, peaches, nectarines, apricots, and cherries) industries. It is producer-owned and funded and represents 1 140 members ranging from small scale/emerging producers to commercial producers with various levels of integration and diversification in the value chain. The deciduous fruit industry is one of the largest export sectors within the agricultural sector, generating a revenue of R14 billion per annum and providing jobs to 65 000 permanent employees per annum, directly on-farm. To sustain and inclusively grow the industry, Hortgro's three core focus areas relate to research and development, trade and trade development, and transformation. The definition of transformation within the pome- and stone-fruit industries includes BEE, land reform, skills and capacity building, and socio-economic development as encapsulated in the strategic framework. The strategic framework, as approved by the NAMC (2019-2023), provides high-level objectives and guides industry functions, activities, and levy utilisation to implement the plan through various industry sub-structures.

Retrospectively, the impact of the COVID-19 pandemic and associated logistical and marketing challenges have had a significant impact at farm level, in terms of profitability and sustainability. And this has placed added pressure on the development of black agripreneurs. Despite this, Hortgro is maintaining and increasing efforts to fast-track the integration and commercialisation of black agripreneurs to create an enabling environment for: *"A globally competitive, equitable, unified and economically transformed deciduous fruit industry"*.

Over the last decade the pome and stone-fruit industries have demonstrated commitment towards sustainable development, as well as transforming the industry through various initiatives such as the tree planting project, the DFDC Commercialisation Programme and more recently, the Deciduous Fruit Value Chain financing project referred to as Hortfin. Many of the achievements to date were recorded in a transformation publication: The Deciduous Fruit Industry – Changing times. These achievements would not have been possible without partners, and we believe that public-private partnerships (PPP), which include commercial producers and entities, industry and government, have proven their worth over time. Deserving of special recognition in this context are the Western Cape Department of Agriculture (WCDoA) and the Jobs Fund for their continued support. Hence, the industry fully supports the emphasis on strengthening the PPP principles in the Agricultural and Agro-processing Master Plan (AAMP).

Over the past decade transformation initiatives were refocused from a training, worker welfare- and skills development-centered approaches towards greater emphasis on economic development initiatives and support programmes within a value chain context. This has led to the channeling of more than 90% of industry transformation levy funding towards economic development.

Economic Development Initiatives





A DECADE OF TRANSFORMATION

INITIATIVES

HORTGRO
Growing Fruit IQ

Statutory levies and Public-Private-Partnerships

Transformation initiatives **refocused** from training, welfare, skills development to **economic development and support programmes**.

90% of industry transformation funds channelled for **ECONOMIC DEVELOPMENT**

R444.5 MILLION
industry funds invested

844 HA
established

3125 NEW JOBS
created

90% SUCCESS
rate throughout all projects

R228 MILLION
invested through Government Facilitated Programmes

Value of new orchards are **R8.015 BILLION**

Table 3: The participation of black agripreneurs within the pome and stone-fruit industries is reflected below:

Province	2021 Total industry area planted (ha)	2021 Total BEE area planted (ha)	% BEE Ha of total industry	No. of BEE entities	No. of 100% black-owned enterprises	No. of equity shareholding enterprises
Western Cape	46 932	3 657	8%	63	30	33
Eastern Cape	4 849	796	16%	10	6	4
Free State	673	0	0%	0	0	
Limpopo	578	10	2%	1	1	
Mpumalanga	328	36	11%	3	3	
Northern Cape	181		0%	0		
North West	121		0%	0		
Gauteng	24		0%	0		
Kwazulu-Natal	6		0%	0		
Grand Total	53 692	4 499	8%	77	40	37

Table 4: Participation of black agripreneurs in the value chain

Ownership	Packhouses	Cold storage	Nursery	Marketing	Agro-Processing	Input Supplier
100% black-owned	5	2	3	4	1	2
Equity	2	1			2	

Success Stories

DFI Awards

On the 31st of March 2022, the Deciduous Fruit Industry (DFI) hosted the inaugural Transformation Awards gala dinner, a collaboration between Hortgro and the DFDC. The purpose of the DFI awards is to give recognition to black talent in the deciduous fruit industry. Awards were given to the following individuals for their respective contributions to the industry:



Workers' Rights Advocacy Award – Nico du Preez (Anhalt, Haarlem)



Woman and Youth Award – Cathleen Sas (De Fynne Nursery, Paarl)



Industry champion award – Trevor Abrahams (Trevor's Farm, Wolseley)



Value chain breaker award – Raymond Koopstad (La Vouere, Ceres)



Category: Most improved business award – Wilfred Malgas
(JD Rovon, Louterwater)



Category: Leadership award – Job Mthombeni (Mpumalanga), Dibesho Serage (Limpopo), Ricardo du Preez (Langkloof) and Ismail Motala (Western Cape).



The industry believes in giving recognition where it's due and that these awards and platforms will create an advocacy platform to inspire future inclusivity, growth and development.

Category: Best producer award – Misgund Oos Kleinboere Trust

3.3 SOUTH AFRICAN TABLE GRAPE INDUSTRY (SATI)



There's continued commitment by SATI towards building an inclusive and sustainable industry, to maintain South Africa's position as the preferred country of origin for retailers around the world. SATI's strategic objective is to create a progressive, sustainable and equitable table-grape industry that prioritises transformation as a key tenet in becoming a dynamic growth-oriented industry representative. Key milestones include providing targeted enterprise development support to eight black-owned businesses and supporting black students in advancing studies related to agriculture.

The strategic approach is to facilitate and support transformation within the table-grape industry by focusing on advocacy for transformation projects at farm level, enhancing economic development, land reform, training and capacity building. These objectives are aligned with the NAMC guidelines and aim to enhance the viability of the agricultural sector. SATI views transformation as the creation of equal opportunities for black agriculturists and entrepreneurs to participate as owners, co-owners, managers and professionals in the table-grape industry; and to share in the economic benefits that the industry offers.

Table 5: SATI's transformation portfolio support for black producers:

Strategic pillar	SATI initiative
Enterprise development	Vineyard Development Programme; Helpdesk and Advisory Services; and industry partnership to facilitate access to funding for black-owned businesses
Skills development	Bursaries focused on studies relating to agriculture, offered to black students; black producers and their workers' development and beneficiary training; and modular courses in table-grape production
Socio-economic development	Various farmworker initiatives focusing on networking and leadership development

Management Representation

To ensure equitable representation, Mr Hendrik Davids and Mr Warren Bam – who operate successful black-owned farms – were re-elected into the SATI NPC Board. Mr Davids also serves on the SAPO Trust Board and Mr Bam on the PPECB Board, both in their capacity as table-grape industry representatives.

SATI's employment equity committee is well represented in terms of race and gender, with the most recent appointment being Ms Mecia Petersen, Manager: Market Development and Communications. The staff complement comprises 50% of the designated group, with a 40% representation at management level. Women occupy 66% of positions and 16% are female youth.

SATI Transformation Initiatives

The following section outlines SATI's transformation initiatives and key outputs for the 2020/21 reporting period.

Enterprise development

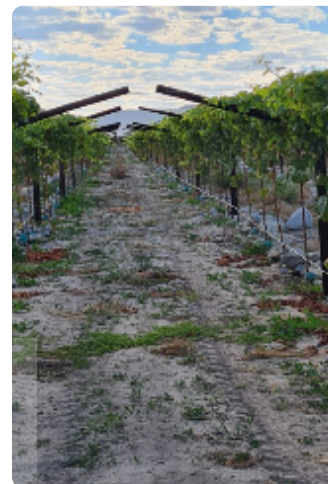
Vineyard Development Programme:

SATI's vineyard development programme focusses on subsidising producers to renew and expand their vineyards, to ensure that emerging producers have access to newer varieties and hence, increase the price per carton.

The initiative facilitates production of better yields and higher quality produce by driving the removal of unproductive and old vineyards and/or unwanted cultivars. The featured images (image 3.3.1) depict young vines planted as part of SATI's Vineyard Development Programme. With nurturing and the appropriate guidance, the vines flourished and grew very well.



Image 3.3.1



During the 2020/21 financial year SATI spent approximately R3 million on the Vineyard Development Programme, which focused on soil preparation, trellising and netting, in-field irrigation and plant material. The supported beneficiaries represent 43% female and 21% youth participation. SATI has budgeted a further R4.1 million to continue supporting existing and new entrants for the financial year ending November 2022. Image 3.3.2 shows the same vineyard depicted above, 2 years after planting. The commendable result was achieved through cooperation between government, industry and the producer.

Approximately 3 500 cartons/ha (4.5kg equivalent) was exported from this vineyard (image 3.3.2). Next year the producer is planning to harvest 6 000 cartons/ha (4.5kg equivalent). Both these totals are well above this farm's history in terms of average cartons/ha. Within the next three years he will double his production from where the turnaround strategy started in 2019. Over the last five years, producers have leveraged support to renew unproductive vineyards and/or replace old or unwanted cultivars – in line with global market requirements. SATI is proud to have walked this journey with emerging producers through the Vineyard Development Programme.



Image 3.3.2

Helpdesk and Advisory Services

This initiative was implemented to support potential and/or existing Broad-Based Black Economic Empowerment (BBBEE) producers with the planning, performance and compliance of their businesses. The bulk of the budget is spent on the provision of professional services, including accounting services, soil surveying, compliance management and business entity registration.

The featured images (image 3.3.3) illustrate a cross-section of a soil-surveying project undertaken as part of the Helpdesk and Advisory Services. The value offered to the producer is being able to understand the differences in soil types available on his farm and hence, strategic decision-making. The results enable the producer to determine the highest potential soil, and for chemical analysis and recommendations on soil preparation and rectification to be made. The producer is then better aligned in terms of commercial strategies.

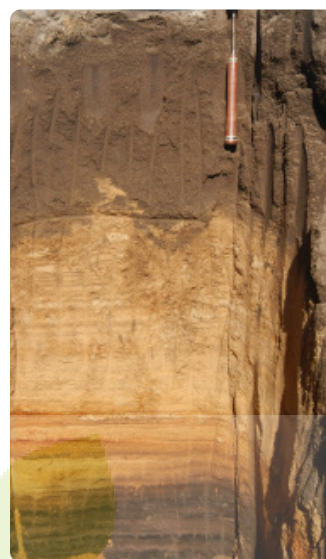


Image 3.3.1



Additionally, through the Helpdesk and Advisory Services support, many more producers now run automated back-office processes, such as accounting practices and have access to professional accounting support. This has enabled a more efficient monitoring of income versus expenditure. SATI provided three farms with funding to partake in study groups, where participants benchmarked themselves against the performance of other farms in their production region. Subsequent reports were utilised to identify areas where these businesses could improve operations and implement applicable risk mitigation strategies. Another farm was also supported with water scheduling where external irrigation specialist services were needed. A total of R575 507 was spent on the Helpdesk and Advisory Services.

Market Access

In 2020 SATI embarked on a China Market Development Campaign to the benefit of all table-grape producers and particularly those in the three production regions of the Western Cape and this continued in 2021. China has been identified as an ideal location for a strategic market development initiative, given the commercial opportunity that exists for South African table grapes. The aim of the campaign is to raise awareness of South African table grapes, predominantly amongst trade in Tier 1 cities, to demonstrate to them that South Africa provides a quality and reliable offering.



Three empowerment businesses continued to participate in this campaign (one farm 100% black-owned, and two $\geq 51\%$ or more black-owned): a proud moment for SATI. This accomplishment is an illustration of both the flexibility and competence of the management on these farms to produce and pack grapes according to set specifications prescribed by a campaign or buyer.



As part of its market development strategy, SATI also contributed to the production of marketing videos for six BBBEE initiatives. Four of these businesses are 100% black-owned with one being an organic table-grape producer.

Image 3.3.4 depicts an in-store promotion of South African Table Grapes in Shanghai, China.

Image 3.3.4

Hortfin

The deciduous-fruit industry, supported by the Jobs fund, Landbank and FNB as an additional financier, finances pome and stone-fruit, wine-grape and table-grape initiatives, subject to the applicant meeting eligibility criterion and a favourable due diligence report, which may lead to an approval. SATI supports this initiative and has contributed R4.16 million towards the fund to date. This contribution presents qualifying table-grape businesses with the opportunity to apply for loan funding through this industry initiative. To date, loan funding worth more than R40.5 million has been approved for table-grape farms. And three additional deals to the value of R71.6 million are being assessed.

Skills Development

For SATI transformation encompasses the improvement of skills and knowledge of black professionals within the industry. The SATI Bursary Fund targets individuals who aspire to a career in the table-grape industry. Supported fields of study are at primary production level and within the table-grape value chain.

Bursaries

In the 2021 academic year SATI supported 10 black students with subsidised tuition fees, study material, accommodation and living expense to the value of R583 334. All 10 bursary holders are youth, comprising six females and four males. Congratulations to the following students for obtaining their qualifications:

- Ms B Manilal [BSc majoring in Chemistry, Biochemistry (distinction) and Microbiology]
- Ms Govindsamy (Postgraduate Diploma in Sustainable Horticulture)
- Mr T Buxeka (Masters in Sustainable Agriculture)

Progress made by SATI bursary holders who were featured in previous reports:

Kebo Toolo

Kebo Toolo is 28 years old and currently working as an intern at Provar, an independent cultivar evaluation company in Paarl in the Western Cape. She is originally from Thaba Nchu in the Free State and attended Unicom Agricultural Secondary School at Tweespruit. Kebo's family owned livestock during her childhood, but she cannot recall any horticultural or viticultural activities. A visit to her school by DALRRD (then known as the Department of Agriculture, Forestry and Fisheries – DAFF) resulted in two learners being offered bursaries. And Kebo, who was interested in agri sciences, applied and was one of the two learners who received a bursary.

A teacher then gave her a Stellenbosch University brochure, and she applied for Viticulture and Oenology. "Initially, my focus was on wine grapes. But in the second year of my studies, Eunice Avenant's lectures introduced me to table grapes, and I had an immediate interest. As the income from the DAFF bursary had declined by this time, with assistance from Eunice, I applied for a SATI bursary in 2015. SATI has been a constant support to me, as they have been providing financial assistance towards my studies since 2016, and they have even helped me to find my current position at Provar in 2021. It was helpful to work at the Agricultural Research Council while I completed my M.Sc. degree. I will submit my thesis soon and Eunice has assisted and mentored me throughout the process. SATI has really been there for me for five years and helped me to complete my studies and establish my career. I am grateful for their invaluable support."



Jacques Daniel

Jacques Daniels is 35 years old and currently employed as an assistant farm manager at Mowzer Agri in Saron in the Western Cape. He grew up on Uitkyk Farm, one of the JD Kirsten Farms in Noorder-Paarl, as his parents worked on the farm. After completing matric at Hoërskool Noorder-Paarl, Jacques was a seasonal general worker on JD Kirsten's Uitkyk and Irene Farms for 10 years. *"In 2015 Irene Farm offered me the opportunity to study a FET (Further Education Training) course in Viticulture at Elsenburg College. I was accepted and completed my learnership in 2016, receiving a bursary for this programme from Elsenburg".*

Jacques was one of the top 10 students who had the opportunity to continue their studies at Elsenburg and enroll for the Higher Certificate in Viticulture. *"I was a member of the Noorder-Paarl farm study group, where I met Wilton September in 2016. Wilton assisted me to obtain a full SATI bursary. SATI assisted me financially to obtain my Higher Certificate in 2017 and my Diploma in Agriculture in 2019. I have always loved viticulture, particularly the production of table grapes. The financial assistance from SATI has helped me to establish my career in table-grape production management and for that I am extremely grateful."*



Silicia Govindasamy

Silicia Govindasamy is 24 years old and currently working as an intern at the South African Sugarcane Institute (SASRI) near Durban. Although Silicia is originally from Durban, she says that she is incredibly grateful for the opportunity that SATI has given her and would love to work in the table-grape industry going forward. She matriculated from AD Lazarus High School in Durban and studied Horticulture at the Durban University of Technology. During her first year at university in 2017, her family covered her tuition, but it became necessary for Silicia to investigate the availability of bursaries to fund her studies beyond that.

She discovered the SATI bursary, which covered the cost of her tuition in 2018 and 2019. During 2018 she visited the SATI offices in Paarl and was introduced to table-grape production. Silicia completed the six months of practical training required by the National Diploma course at Bosman Adama Vine Nursery in Wellington. *"I absolutely loved it and would return to work in the viticulture sector in a heartbeat if the opportunity presented itself,"* says Silicia.

As looking for a job in 2020 and again in 2021 both proved difficult, Silicia chose to further her studies. During these two years, she completed an Advanced Diploma in Sustainable Horticulture and a postgraduate Diploma in Sustainable Horticulture – with SATI providing bursary funding for both these studies. Silicia completed her studies at the end of 2021, and as she could not find employment in the table-grape sector, she found a job closer to home with the South African Sugarcane Institute. *"Words cannot describe the level of gratitude that my family and I have towards SATI for their unwavering assistance during my four years of study. They believed in me and helped me to become well-qualified and establish my career. Thank you from the bottom of my heart!"*



Leadership Development Programme

Mazars Human Resource Advisory in collaboration with Hortgro and the AgriSETA, developed and piloted the Leadership Development Programme, specifically for middle managers (production management) in the agricultural sector. SATI subsidised 10 land reform beneficiaries (R10 000 per beneficiary) in middle management positions to attend the course. The idea is to develop the participants proactively, to their full potential and to enhance their career path. A Hybrid delivery method of classroom and online training was applied.

Modular course in table-grape production

This course was presented by SATI in collaboration with the ARC Infruitec-Nietvoobij, Stellenbosch University, Raisins SA and Elsenburg. The course originated in 2001 and was previously presented through physical contact sessions. The focus of the course is to understand the “why” behind the production practices of table grapes and raisins in South Africa.

In 2021 the training was done in October. The total delegates that attended were 35 people of which 17 were black people. The target audience for this course includes:

- supervisors
- experienced farm workers
- technical persons of marketing companies and other agri businesses
- new entrants to the industry
- junior, middle, and senior production managers
- extension officers
- people with no tertiary education.



3.4 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 & SAMGA). During the past three years Subtrop has been exploring ways to better apply its transformation resources. Over the same period, the association has also continued to support emerging growers with different opportunities to drive transformation. In addition to what Subtrop has provided, its member associations have also continued providing their non-statutory levies to support the growth and development of these emerging growers. The association has always maintained good relationships with government departments and government entities that work closely with farmers.

These relationships have also helped both Subtrop and the government to aid emerging growers to grow and develop their businesses. The sustainability of the Subtrop transformation initiatives depends largely on the relationship between Subtrop, commercial growers, emerging growers, the business sector and the government.

Subtrop has also continued to strengthen its five transformation pillars, namely education and training, development, grower support, the black grower database, and long-term projects. Below are some of the transformation initiatives for the period under review:

Highlights of Subtrop transformation initiatives

Bursaries

The South African Avocado Growers' Association (SAAGA) offered bursaries aimed at helping students of colour to pursue careers within the subtropical fruit industries in South Africa. Bursaries are awarded to those studying towards a BSc Agriculture degree (majoring in Agricultural Economics/Horticultural Science or related fields) and cover academic fees and accommodation costs. Tsakani Pertunia Marimi and Ntokozo Innocent Ndlovu, both studying at the University of Mpumalanga, were recipients of the 2021 SAAGA bursaries.

Mentorship

In 2020 Subtrop launched a programme to link emerging growers with suitable mentors. To ensure that both mentor and mentee are aware of their roles and responsibilities, Subtrop has drawn up guidelines for mentors and mentees as well as mentor-mentee agreements. In 2021, the programme continued to grow with more commercial growers gaining interest.

Training

Grower education and training are an important part of the Subtrop transformation offering. In 2021 Subtrop, in collaboration with the NAMC, arranged a business training course for 20 avocado growers in the Vhembe region. The course was presented by experts from Buhle Farmers' Academy, with 20 attendees. Of the attendees, 80% were youth (under the age of 35) and 45% were women. This is a good demographic representation of the industry's goals for increased inclusivity.



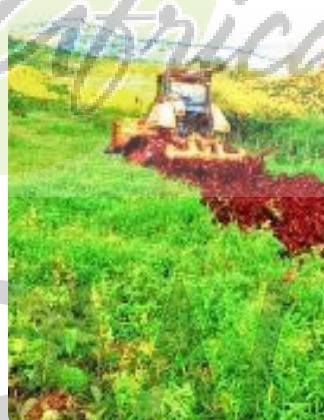
Post-Training Farm Visit

The training focused on farming and business aspects relating to business development, planning, decision-making, financial management, and value chain management. Now equipped with the knowledge gained, these growers will be in a better position to successfully establish, expand and manage orchards; manage their farming infrastructure; and do bulk or group buying. These skills will go a long way to setting up these emerging growers on their journey to becoming fully-fledged commercial growers.

Growers conducted monthly visits to farms owned by their peers to learn about various on-farm management aspects. Every month one of the training recipients would invite growers to their farm to show them around, giving the visiting growers an opportunity to critique the host and to share suited advice. These exchange visits hold considerable benefits, well beyond just acquiring information.

a. Orchard development

During 2021 good progress was made regarding the SAAGA 1 ha project. Subtrop procured nursery trees and irrigation equipment and did orchard mapping. All sites have been identified and growers have cleared the bushes. Growers were also provided with pre-planting fertilisers, and nursery trees are ready for planting. The project was meant to finish in December 2021, but due to heavy rains, it will continue in 2022.



Orchard Development



b. Memorandum of Understanding (MoU)

In 2021 Subtrop initiated a process of drafting a new MoU with the Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA); and their provincial legal team has been given the green light on this agreement. In the same year, Subtrop initiated a process of renewing the agreement as per the MoU, with the Limpopo Department of Agriculture and Rural Development (LDARD). Both agreements will be applicable for five years, from 2022 to 2026.



Mr Stephen Mantsho with a grower

c. Study groups

Subtrop recognises study groups as a very important part of grower development and helps emerging growers to set these up in conjunction with government extension officers; assistance with sourcing speakers and funding for catering are also provided. The emerging growers also contribute towards study group and catering costs. To fast-track growers' advancement to commercial status, two new study groups are being re-established in Mpumalanga Province – one in Bushbuckridge North and the other in the south. The re-establishment of these study groups is in line with new emerging-grower registrations.



Study Group Attendance

In 2021 SAAGA hosted study groups as follows:

- The study group in Vhembe (Venda) focussed on avocado pests and diseases. As part of providing better services to growers, talks are presented in person and online. Mr Kamukota Kaluwa from Subtrop gave a virtual talk.
- Necessitated by the number of enquiries received on issues relating to orchard establishment, the study group in Mpumalanga (Bushbuckridge) focussed on avocado orchard establishment.

SAMGA study groups were hosted as follows:

- A study group was held on 18 November 2021 at the Levubu Centre of Excellence, with the main objective being to facilitate the harvesting and marketing of mango products.
- As with SAAGA, two new study groups are being established for the same purpose in Mpumalanga Province, one in Bushbuckridge North and the other in the south. And the re-establishment of these study groups is also in line with new emerging growers' registrations.
- A study group held in Bushbuckridge on 17 September 2021 focussed on fruit fly and powdery mildew. From this study group, it emerged that most growers in that region are heavily affected by this problem. As a result, further on-farm training and material on this pest will be provided to growers.
- A study group focusing on pests and diseases was hosted by the Venda study group on 7 October 2021, highlighting all the relevant diseases and pests.

SALGA study groups were hosted as follows:

- A study group focusing on pests and diseases was hosted by the Venda study group on 8 October 2021. This study group highlighted all the current diseases and pests that are problematic for the growers.
- A study group held in Bushbuckridge on 17 September 2021 focussed on common challenges faced by growers.

Database

Subtrop has established a registration portal for emerging growers that was launched on 1st of December 2020. This registration portal will be used to capture missing information and it will open doors for better communication in the industry. The process will also assist Subtrop with confirmation of where the growers are located, and the commodities they produce.

It is important for Subtrop to have an up-to-date, reliable database for the following reasons:

- to plan according to evidence-based information, and to provide on-point services to relevant growers
- to provide registered growers with the required support and benefits
- easy identification of growers for different industry initiatives and benefits
- to gather accurate and reliable information from growers, reducing wastage of resources and poor service delivery.

	Number of smallholders (black)			Hectares planted		
	2019	2020	2021	2019	2020	2021
Avocado	66	79	96	444	565	605
Mango	75	82	89	486	515	542
Litchi	32	40	42	133	158	169

Over the past three years the number of black growers on the Subtrop industry database has increased by 13.9% and 12.9% in 2020 and 2021 respectively.

Some of the success stories regarding transformation within Subtrop

Liduna Farm – a black-owned enterprise on the road to success:

From driving a tractor in a rural village and ploughing fields for others to owning an avocado farm, Dr Matamela Chasney Madua, a medical practitioner from Slangers Village in Mulima, Limpopo Province now owns Liduna Farming (Pty) Ltd. The farm comprises 150 ha of land on which he produces avocados. Proudly, he is the first generation in his family to own a farm. Matamela recalls some of his neighbours and family members quitting agricultural production due to a lack of funding, but his perseverance has paid off.

Driven by a childhood love for agriculture, he started farming on Liduna in December 2015. Avocados are his main crop while he also produces cash crops such as potatoes, green peppers and tomatoes. Farming has taught Matamela the importance of patience: converting natural bush into something that now sustains people has been most rewarding for him.

Currently, his biggest business goal is to start exporting avocados. Matamela continues to work as a medical practitioner, leaving competent family members to manage the farm. Besides improving the lives of the locals through employment, he has also enjoyed growing his small farm into a large operation. Hard work is the key to his success (working from 04h00 to 21h00 daily).

Role of SAAGA and Mentorship

When he started his farm in 2015, Matamela approached Kosie Eloff of Agrivet – a neighbouring commercial farm – for mentoring assistance. Kosie Eloff taught him some important aspects of starting an avocado farm. So, as advised by Kosie, the first step he took was to have soil samples tested in Tzaneen to analyse the soil. Armed with the soil analysis results, he went back to his mentor who further advised him on steps to follow to attain success.

“I remember Kosie introduced me to Herman Erusmas at Westfalia Nursery, who helped me open an account with them” says Matamela. Because Kosie wanted to see the avocado business flourish, he took them to an irrigation company that assisted them with both mapping and irrigation needs. He also provided Liduna Farm with essential equipment, free of charge.

“He brought his TLB to come and assist us and gave us fertilisers and other chemicals to use on the farm. In addition, he gave us his truck to collect seedlings from Westfalia” recalls a grateful Matamela.

Kosie Eloff’s commitment to assisting an aspirant black producer has certainly not gone unnoticed.

After all the help that Matamela had received from Kosie Eloff, he was then introduced to the SAAGA, and promptly joined the association in 2018 to expand his knowledge of avocado production. Applying what he had learned at study group meetings produced positive results on his farm. And by mid-2020 he had planted 15 ha of avocados, following guidelines and advice provided by the SAAGA technical team.

The Role of Government In Transforming The Industry

Matamela soon recognised the vital role played by the government in the industry, especially when it comes to securing export markets for all producers in the country. However, he thinks that government could lend more support to emerging growers to speed up change in the sector. Looking into the future, he sees a greater contribution of subtropical commodities in the agricultural sector of South Africa.

As a black grower, Matamela’s independence is very important to him. And he’s proud that Liduna Farm can add value to the supply chain and ultimately, to the food security of South Africa. *“Emerging growers need to learn, be mentored, be united, and apply everything that they learn,”* says Matamela.



A newly established avocado orchard on Liduna farm



A well-established orchard on Liduna farm

Premier's Excellence Awards for Subtrop coordinators in Vhembe region

The Subtrop coordinators for the Limpopo Department of Agriculture and Rural Development (LDARD) have proven themselves to be the best in terms of delivery. For years, the team has been working closely with Subtrop to make a meaningful contribution to emerging growers in the Vhembe region. This Premier's Excellence Award recognises the exceptional service delivery and is a feather in the caps of both the Vhembe Subtrop Coordinators and Subtrop itself. The team of 11 LDARD officials led by Namadzavho Sikhapha, won two Limpopo Province Premier's Excellence Awards: Best Service Delivery Team of the Year, and Best Implemented Project of the Year. LDARD and Subtrop have signed an MoU to work together to empower emerging growers via government extension services, with training and provision of technical expertise by Subtrop.

This collaboration has resulted in about 50 growers making meaningful progress toward becoming fully commercial growers. Additionally, eight emerging growers have been assisted to gain Global GAP (Good Agricultural Practice) certification. The awards are a great motivation for the team but also challenge them to move to the next level in advancing emerging growers to fully-fledged commercial status. And by so doing, they'll make a greater contribution to the economy and job creation.



Vhembe region Subtrop coordinators and Stephen Mantsho (Subtrop)

Building on the basics

Mphatheleni Gilbert Nefale from Duthuni Village outside Thohoyandou manages a family farm and is the third generation in the business. He took the baton in 2009, when the farm had only 20 avocado trees, 20 mango trees and 10 litchi trees. His vision was to grow the farm to the greatest extent possible. Mphatheleni grew up on the farm, with his grandfather, and was already involved with farming activities at the age of eight.

At school, he loved gardening as a subject, passing with distinction. He then proceeded to Dimani Agricultural School, which provided useful exposure to agriculture. Although his tertiary education took him in a different direction, agriculture remained in his blood. Mphatheleni is a dentist by profession, practising in the public sector. He runs the family farm along with his brother and son (12). Growing up, he viewed farming as lifestyle, but now he considers it a business.

Transforming the farm

In 2009, the 10ha farm was mostly bush with fruit trees scattered randomly around the farm. Mphatheleni joined the study group of the Venda Avocado Growers' Association – now officially managed by SAAGA – where he learned a lot about avocado production. Although limited information about orchard management was shared, he ensured that he acquired additional information. Through assistance from officials from the LDARD, he was able to purchase his first 300 avocado trees in 2010.

Mphatheleni jokes that in 2010 when South Africa was playing its first soccer match in the World Cup, he was busy planting his first trees. Before 2009 he only knew avocado as a fruit but through study groups learned that there are also different cultivars.

His journey to success started when he purchased the first trees in 2010. He had to de-bush around 2 ha of his farm to plant the first 300 trees. Over the years he increased the number of trees until the farm was fully planted. One of the main reasons for his success is his commitment: he is on the farm every morning between 06h00 and 07h00 and again after work from 16h00 to 17h30.

In 2020 SAAGA arranged training for 20 avocado growers (funded by the NAMC) in both farm and financial management. He took this opportunity to learn more about orchard management. He immediately started applying what he learned and is pleased with the progress on his farm. *"Whenever I see my trees happy, I am happy and vice versa" he says.*

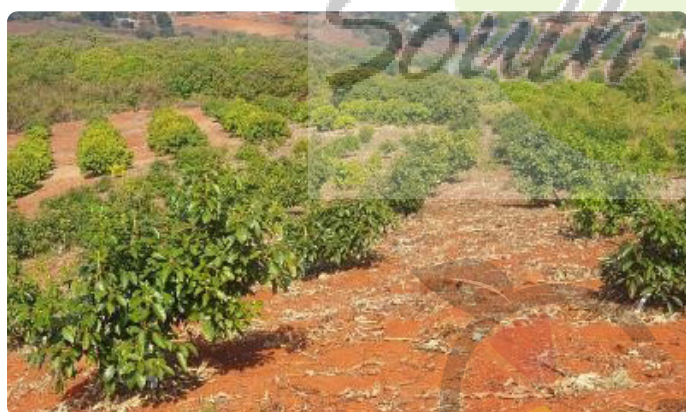
Status quo on the farm

The 10ha farm is planted to 8.5 ha of avocados and 1.5ha of litchis and is neat and well taken care of. The trees are pruned and mulched, and the grass is cut. Production is on the increase with 19 tons produced in the 2019/20 season and 24 tons in 2020/21, and he projects 30 tons in the coming season. Mphatheleni's current cultivars are in demand locally, but he plans to start planting cultivars that are suited for the export market.

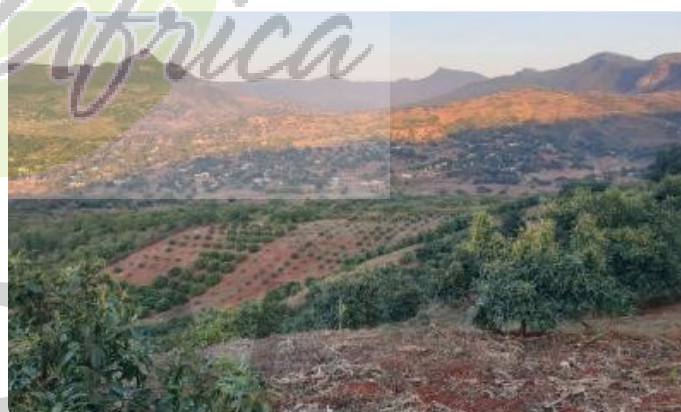
How can emerging growers succeed?

As a grower, Mphatheleni strives to learn from the best and makes use of the available sources of information to help him reach the top. He advises that emerging growers must use the information they get from the study groups, symposiums and websites to empower themselves. He has also taken the opportunity to visit commercial farms in Levubu to learn from them. In addition, he is part of a group of 12 black growers who visit each other's farms on a rotational basis for all-round success. *"I understand that we are operating in a capital-intensive industry, but also understand that the long-term investment yield is good,"* says Mphatheleni. He is concerned about the number of farms that are left dilapidated and poorly kept. *"Growers must start small, grow to medium size then go big,"* he adds.

The farm contributes to the economy by providing three permanent jobs and around ten seasonal jobs. The products produced contribute to the mainstream economy because he supplies packhouses and the national fresh produce markets. Like any other grower, he faces challenges. For example, his farm is not properly fenced, making it more vulnerable to fruit theft. And without an irrigation system, Mphatheleni must depend on rain. One of the things he has observed is that many black-owned farms are collapsing not only because of poor management, but also because of a lack of succession planning. Mphatheleni is happy that most South Africans have access to good-quality food, and as a grower he wants to continue to play a role in supplying it to the nation.



A newly established avocado orchard progressing well



Mphatheleni Nefale's neat, well-managed farm.

3.5 FRESH PRODUCE EXPORTERS FORUM (FPEF)



The Fresh Produce Exporters' Forum (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, producer-exporters, export and marketing agents, packhouses, logistics businesses and other service providers. Whilst membership is voluntary and open to all South African fresh produce exporting companies and industry service providers, strict accreditation criteria and a specific code of conduct apply to ensure that only competent and reliable marketing agents and grower-exporters are admitted to the Forum.

The neutral and representative status of the FPEF enables it to raise funds for the export industry to ensure attendance of major international trade fairs like Fruit Logistica Berlin and Asia Fruit Logistica, during which an Export Directory is distributed. Essentially a service organisation, some of the FPEF's services include industry transformation, generic promotions for new and existing markets and the distribution of information to members. The FPEF's continued commitment to their transformation vision is visible in the momentum of its initiatives. The transformation vision is 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. Below are some of the FPEF transformation initiatives for the period under review:

FPEF Graduate Placement Programme

The year 2021 was a record year for the FPEF graduate placement programme. Fourteen graduates were appointed at 11 FPEF member companies! It is exciting to witness the impact that this flagship transformation initiative is having in the industry, resulting in a growing group of talented, young black South Africans employed in FPEF member companies. We trust that we will see many of them rise through the ranks in the years to come.



2021 Graduate Intake Networking in May

As a service provider to the FPEF applying high service levels, Agrijob manages recruitment services for the programme. Agrijob meets with each FPEF member company to understand its needs before introducing them to suitable candidates. The FPEF made a salary contribution of R5,000 per month for the first twelve months to FPEF member companies, for each graduate appointed. Since the programme launched in 2016, 77% of the graduates were appointed in permanent positions following their initial 12-month placement.

FPEF Emerging Exporter Comprehensive Support Programme

In February 2021, the FPEF New Emerging Exporter Support Programme launched with the selection of four promising, aspiring exporters, following a comprehensive selection process. Under the programme, the aspiring exporters receive a combination of mentorship, coaching, hands-on exposure to the industry, and practical support (e.g. guidance in post-harvest technical, logistics and risk management). The individuals selected to participate in the programme were Joel and Robert Andrews and Dylan Moodaley of RDJ Agri Exports, Ikarabele (Kari) Motshwane, Yoza Jekwa of Liora Agri and Morongwa Mothiba. Their profiles range from CEO of a well-established, successful investment management company with a passion for agriculture, to passionate young entrepreneurs starting out in their journey.

All four exporters utilised multiple support opportunities throughout the year facilitated by the FPEF, including participation in the FPEF six-day fruit export value chain training programme (Top of the Class). Kari spent two months with SAFPRO in the Eastern Cape, gaining hands-on exposure to the industry; Morongwa spent a week being mentored by Gerald Gant at Capespan; and Yoza, together with members of her team and RDJ, had a few meetings with FPEF mentors.

Luke Govender of the dtic, who serves on the FPEF board, shared the following feedback and encouragement: “A fantastic initiative that will certainly set a precedent for other export councils to implement their transformation endeavours. A personal thank you to the participating companies and the respective representatives.”

Without a doubt, the biggest challenge faced by aspiring exporters is access to product, given the highly competitive and high-risk nature of our industry. The FPEF is however hoping to get the first fruit on the water through this programme next year.



Ikarabele (Kari) in the Langkloof during his time with SAFPRO

Top of the Class (TOC) Fruit Export Value Chain Training Programme

This year has been a busy year for the FPEF's TOC programme with an excellent uptake from FPEF members and the primary producer organisations under Fruit SA. The total number of people trained in 2021 came to 115. About 1 115 industry employees, emerging producers and emerging exporters have completed the programme since it launched in 2004.

In April 22 individuals, including employees of FPEF member companies, CGA-GDC staff, and emerging exporters completed the six-day TOC programme online. In August/September 19 staff members from APL packaging completed a tailor-made four-day programme in two blocks of two days each, and in September/October a further 22 industry employees and staff members from Subtrop completed the programme in three two-day blocks.

The FPEF also received R250 000 in funding from the AgriSETA to present the TOC programme to emerging producers. The funding was used to train eight emerging deciduous fruit producers in collaboration with the DFDC in August, 14 emerging table-grape producers in collaboration with SATI in September, and 32 emerging citrus producers in two groups in Fort Beaufort and the Sundays River Valley in October, in collaboration with the CGA-GDC. The CGA-GDC fully funded the Sundays River training programme.



Emerging citrus producers at the Sundays River TOC training, with CGA-GDC and FPEF staff

Emerging producer and emerging exporter market access support

In recent years the FPEF, assisted by its members, provided pre-trip training and helped with arrangements for black fruit producers funded by the WCDoA to attend Fruit Logistica Berlin. As Fruit Logistica 2021 was canceled due to COVID-19, the FPEF arranged a two-day local tour on 9 - 10 June for a group of 14 black fruit producers from the Western Cape and four WCDoA officials, in collaboration with the WCDoA. On day one the group was hosted by the PPECB and visited a cold store and container depot. On day two the group visited the Epping Fresh Produce Market, GoReefers Logistics and Capespan. The purpose of the visit was to provide the producers with first-hand exposure to elements of the value chain beyond the farm gate. The FPEF would like to take this opportunity to thank the PPECB, the Epping Fresh Produce Market, GoReefers and Capespan for giving their valuable time to support this initiative.

Further to this, the FPEF continues to provide a “help desk” for aspiring and new emerging exporters, to guide them in the process, with a focus on risk management as well as a minimum of two years’ free FPEF membership with full benefits. Some of the individuals from these interactions are likely to feed into the FPEF’s new export development initiative, with successful applicants qualifying to benefit from a comprehensive export support programme as detailed in the introduction of the FPEF section of this report.

FPEF annual transformation webinar

The FPEF hosted its annual transformation webinar on 15 September. The focus of the webinar is to challenge and inspire business leaders in the fruit industry towards playing an active role in furthering positive and effective transformation in their businesses. In 2021 the speakers were Matome Ramokgopa and Gerald Gant, who generously offered their time to share their insights and wisdom.

In his role as General Manager of Enza Zaden South Africa (with its parent company in the Netherlands), Matome Ramokgopa is at the forefront of bridging the gap between the international agricultural community and local producers. Matome shared some of his experiences growing up in South Africa and went on to explain that while the word “transformation” is seen in a negative light by many, its synonyms are all positive. Matome encouraged business leaders – who set the tone in their organisations – to play an active role in building sustainable businesses that represent the demographics of the country we live in. He also provided helpful, practical advice in this regard. Gerald Gant is an esteemed industry veteran who served as CEO of Dole SA for many years. In his talk, Gerald recognised that while the industry has made progress with respect to transformation since deregulation, it is an ongoing conversation we need to engage in. He shared his reflections on how we can transform existing fresh produce export companies to achieve increased diversity.

FPEF BEE certification

Following a BEE audit conducted in September, the FPEF achieved BEE compliance yet again, with level 7 recognition as a Qualifying Small Enterprise under the amended agricultural sector scorecard for specialised entities.

Government and industry collaboration

The FPEF remains active as a member of the FIVCRT Transformation Working Group, which aims to drive transformation in an effective and coordinated manner between the various entities represented within Fruit SA (i.e., Hortgro, CGA, SATI, Subtrop, Berries ZA and FPEF) and various government departments. A key outcome of this initiative is the coordinated monitoring of transformation progress within each member organisation under Fruit SA, and the compilation of an annual transformation report to keep stakeholders informed in this regard. The FPEF also serves on the Horticulture Sector Sub-Committee and the Sectoral Skills Committee within the AgriSETA to represent the interests of FPEF members within the AgriSETA.

FPEF transformation survey stats

This survey, as conducted by the FPEF, shows that currently 22 of its members have black ownership status. Eight have black ownership of between 1 - 25%, six have 26 - 50%, and eight have black ownership that exceeds 50%. Notably, 25 of its members are BEE compliant while 25 of its members are owned partially or completely by women.