



FRUIT INDUSTRY TRANSFORMATION STRATEGY

NOVEMBER, 2018



LIST OF ABBREVIATIONS AND ACRONYMS

AGRIBEE:	Agricultural Broad Based Black Economic Empowerment
AgriSETA	Agriculture Sector Education Training Authority
APAC:	Agricultural Produce Agents Council
BBBEE:	Broad Based Black Economic Empowerment
CGA-GDC:	CGA-Grower Development Company
CEO:	Chief Executive Officer
DAFF:	Department of Agriculture, Forestry and Fisheries
DFDC:	Deciduous Fruit Development Chamber
DRDLR:	Department of Rural Development and Land Reform
DST	Department of Science and Technology
DTI:	Department of Trade and Industry
DWS	Department of Water and Sanitation
FISC	Fruit Industry Social Compact
FIVCRT:	Fruit Industry Value Chain Round Table
GAP:	Good Agricultural Practices
NAMC:	National Agricultural Marketing Council
NRF	National Research Foundation
PPECB:	Perishable Products Export Control Board
RACI:	Responsible, Accountable, Consulted and Informed
SETA	Sector Education and Training Authority
SIZA:	Sustainability Initiative of South Africa
USD:	United States Dollars
ZAR:	South African Rand

South Africa





INTRODUCTION

The Fruit Industry Value Chain Round Table (FIVCRT) was established in 2014, as a platform where the government, labour and industry leaders from different nodes in the value chain, meet to coordinate processes aimed at enhancing the value chain outcomes and securing an enduring global advantage for South Africa. Following a decision to adopt the Fruit Industry Social Compact (FISC) as a point of departure for the work of the FIVCRT, the inaugural meeting held on the 28th February 2014, decided on the formation of working groups to focus on the identified five key thrusts. These working groups are Transformation; Resources; Employment and Worker Welfare; Research and Development and Trade. Fruit SA¹ as the umbrella body of the South African fruit industry plays an active role in all the working groups.

At its eighth FIVCRT meeting it was agreed that the Transformation Working Group, chaired by Anton Rabe (CEO: HORTGRO) would collate transformation initiatives/plans from the industry associations to build up a holistic picture of activity within the industry. This process however, demonstrated fragmentation and in some cases, gaps in approaches. Furthermore, at its annual strategic retreat in November 2017, the board of Fruit SA re-prioritised the need to develop an industry transformation strategy with explicit objectives, programmes and targets that demonstrate commitment to transformation and leverages the capability within the different member associations.

To give effect to the aforementioned decisions, the FIVCRT Transformation Working Group supported by Fruit SA, convened a workshop to develop an overarching framework and strategic plan for the fruit industry that builds on existing initiatives undertaken within the FIVCRT, identified within the Operation PHAKISA² process and the experiences of the Fruit SA member associations. The one-day facilitated workshop was held on the 24th May 2018 in Kempton Park, Johannesburg. The workshop was attended by representatives of Fruit SA, Deciduous Fruit Development Chamber (DFDC), HORTGRO, CGA-Grower Development Company (CGA-GDC), the Department of Trade and Industry (DTI) and the Department of Agriculture, Forestry and Fisheries (DAFF).

1. Fruit SA a non-profit organisation and an umbrella body of the South African fruit industry consisting of the South African Table Grape Industry (SATI); The Citrus Growers Association (CGA); The Fresh Produce Exporters' Forum (FPEF); The South African Subtropical Growers' Association (SUBTROP) and HORTGRO (Home of the South African Deciduous Fruit Growers).

2. Operation PHAKISA was a government led initiative, inclusive of multiple stakeholders that set priorities, identified initiatives and made recommendations to accelerate delivery of Agricultural Land Reform and Rural Development flowing from the National Development Plan (NDP).

STRATEGY WORKSHOP PROCESS

The workshop objectives were threefold namely:

1. To develop an overarching FIVCRT Transformation Strategic Plan integrating the member association plans;
2. To develop a shared vision and implementation plan, incorporating goals, objectives, indicators and key milestones for transformation of the South African fruit industry
3. To clarify roles, responsibilities and processes for implementation, performance reporting and impact assessment of the strategic plan.

The workshop was jointly opened by the chairperson of the FIVCRT Working Group on Transformation, Mr. Anton Rabe and the CEO of Fruit SA, Dr Konanani Liphadzi. In their comments they emphasized the need for a clear framework with agreement on what needs to be done, how it will be done and an articulation of roles and responsibilities at different levels. Anton Rabe accentuated that the best outcome that can happen for the industry is successful economic development and delivery on agreed imperatives.

Dr Liphadzi pointed out the need to be clear and on the same page with respect to understanding what the industry wants to achieve in terms of transformation. She said that there will be engagements going forward with stakeholders for support and partnerships using the workshop outcomes as a rallying tool. Regrettably, there was an absence of some critical participants from the FIVCRT, however, it was pointed out that it should not diminish the value of and outcomes from the process and deliberations. She expressed that she hoped for positivity and energy in the deliberations and that those who are not present will need to catch up as “this train is moving”.



MAKING THINGS HAPPEN

In developing an implementation plan it was important to first collectively understand the generic roles played by the members of FIVCRT. This was consolidated as follows:

ROLE PLAYER	GENERIC ROLE
GOVERNMENT	Government has an expressed interest in the growth and racial transformation of the industry; has the responsibility to create an enabling environment for the industry to operate and grow. It is the legitimate facilitator of trade agreements. More specifically Government is responsible to set policy and regulatory frameworks, it needs to have the capacity to fund research infrastructure that enables the competitiveness of the industry.
FRUIT SA	Fruit SA is charged with provision of direction and synergy among associations; coordination, communication, reporting and leveraging of market access, finance and policy development and implementation with Government. More specifically, Fruit SA has the specific objectives to: establish Fruit SA as the collective platform for the fruit industry in South Africa; engage constructively with Government and other public institutions on policy, legislation and other fruit industry matters; engage constructively with other strategic stakeholders; promote and coordinates broad based black economic empowerment (BBBEE) transformation and skills development; gather and disseminate key industry related information; communicate industry information to broader public and industry stakeholders.
INDUSTRY ASSOCIATIONS	The industry associations are responsible for implementation of agreed activities given that they operate with on the ground reality and they determine and maintain the status quo. They work together to set priorities for Government engagement.
LABOUR	The fruit industry labour force is a critical strategic partner in the success and sustainability of the industry. The role of labour representation in the FIVCRT is to ensure that issues that impact and concern fruit industry workers such as working conditions, ethical behaviour, employee wellness, etc. are addressed.

THE DEVELOPMENT OF GOALS, OBJECTIVES AND TARGETS AT A FRUIT INDUSTRY LEVEL



Goal-setting theory refers to the effects of setting goals on subsequent performance. Researcher, Edwin Locke, found that individuals who set specific, difficult goals performed better than those who set general, easy goals. Locke proposed five basic principles of goal setting: clarity, challenge, commitment, feedback, and task complexity.

An objective is a statement which describes what an individual, team or organisation is hoping to achieve. Objectives are 'SMART' if they are specific, measurable, achievable, realistic and, timely (or time-bound).

Indicators ensure that we can measure the following: (i) progress and performance must be measured to attest a development in a (long term) project and (ii) with few but carefully selected indicators, it is possible to get a good overview on the progress and performance. Execution or implementation was defined as "the decisions and activities one undertakes in order to turn one's implemented strategy into commercial success". A quote – "to achieve execution excellence is to realize the best possible results a strategy and its implementation will allow." (Ken Faro <https://hbr.org/search?term=ken+favaro>) was given to accentuate the points.

"To create within a generation, a modern, competitive and environmentally sustainable agricultural sector that ensures food security, supports a middle class lifestyle for a growing number of farmers and that is driving overall economic transformation".

For any strategy to succeed, it needs to be implemented by a team of committed individuals. The question arose as to why it seems there isn't adequate progress on transformation within the fruit industry. If the commitment is there, the question of whether there is clarity of purpose and appropriate capacity to make things happen is of concern.

More work was done at a later stage to define roles and responsibilities at multiple levels. A RACI (Responsible, Accountable, Consulted and Informed) chart is a matrix of all the activities or decision-making authorities undertaken in an organisation set against all the people or roles. At each intersection of activity and role it is possible to assign somebody responsible, accountable, consulted or informed for that activity or decision. The accountable person is the individual who is ultimately answerable for the activity or decision. This includes "yes" or "no" authority and veto power. Only one accountable person can be assigned to an action. The responsible person is the individual(s) who actually complete the task.

The participants discussed feasible timelines that can be used for realistic goal and target setting given an acceptance of the long-term nature for outcomes in the industry and agreed on using a ten (10) year-long horizon. It was further agreed that all data collected and tracked should be disaggregated with respect to age (using bands); gender, geography, disability and race. Targets for these would need to be guided by the policy, regulatory and guideline frameworks that are in place.







FRUIT INDUSTRY TRANSFORMATION STRATEGY

Fruit SA's commitment to transformation

We commit to the transformation of our industry (this includes agricultural economic development based on a value chain approach) and to address socio-economic imbalances and challenges in partnership with the public sector.



FRUIT INDUSTRY TRANSFORMATION STRATEGIC FRAMEWORK



FRUIT INDUSTRY TRANSFORMATION STRATEGIC FRAMEWORK

VISION: A Prosperous, Diverse and Sustainable South African Fruit Industry				
GOAL: By 2038 the industry is fully transformed, and black people are participants across the entire fruit industry value chain ¹ on an equitable basis				
MILESTONES: By 2028, participation and ownership of production means by black African youth, women and men in fruit production and across the industry value chain is significantly increased and sustained				
Strategic Objectives	SO1: Increase participation of black growers in fruit production	SO2: Increase participation of black growers in the domestic and export markets	SO3: Broaden and increase participation of black people in the value chain	SO4: Improve the quality of livelihoods of fruit industry workers
Targets	Black growers produce 30% of total fruit production	30% of SA fruit exports are sourced from black growers	15% of ownership	100% of Fruit SA member growers are SIZA ² compliant
	30% black ownership of total fruit farm hectares	30% of Total Monetary Value (ZAR) from exports accrues to black growers	20% of bursaries given to the children and families of black growers and agri-entrepreneurs for professions and skills required along the value chain	20% of bursaries and scholarships awarded by industry associations are awarded to black workers and their families in farms and pack-houses
			20% of FPEF ³ members are black	
			All Fruit SA growers are AgriBEE compliant	
			Absorb all bursary beneficiaries into the fruit industry	

1 Value chain throughout this document refers to growers, exporters and pack-houses

2 Sustainable Initiative of South Africa (SIZA)

3 Fresh Produce Exporters' Forum

Strategic Objectives	SO1: Increase participation of black growers in fruit production	SO2: Increase participation of black growers in the domestic and export markets	SO3: Broaden and increase participation of black people in the value chain	SO4: Improve the quality of livelihoods of fruit industry workers
	Number of hectares under fruit production by black growers	Volume exports sourced from black growers	Number of black-owned pack houses	Hectares of farm worker ownership acquired through equity schemes and other forms of transfer
	Number of fruit farm hectares under black ownership	Total value of exports (ZAR and USD) that accrues to black growers	Number of black-owned cold storage facilities	Number of fruit farms that are SIZA compliant
	Number of new plantings per hectare	Total value of (ZAR) that accrue to black growers from domestic markets	Number of black-owned agro-processing facilities	Number of bursaries and scholarships given to farm workers and their families
	Productivity in fruit yields per hectare of land under cultivation by black growers	Volume of produce on local markets sourced from black growers	Number of black-owned logistics operators	Number of bursary beneficiaries absorbed in the fruit industry
	Volume of fruit produced by black growers		Number of APAC ¹ registered black fresh produce agents Number of black people trained for professions and skills required along the value chain Number of black exporters registered with FPEF	

1 Agricultural Produce Agents Council (APAC)

	STRATEGIC OBJECTIVES	Implementation Timeframe	R	A	C	I
	SO1: Increase participation of black growers in fruit production					
	Facilitation of access to finance	Immediate Term	Industry Associations	Industry Associations	Government, Funding Institutions, Black Growers	All Stakeholders
	Facilitation of training and mentorship	Immediate Term	Industry Associations	Industry Associations	Government, Black Growers, Skills Provision Agencies, AgriSETA	All Stakeholders
	Facilitation of establishment of new plantings using private and public funds	Short Term	Industry Associations	Industry Associations	Government, Funding Institutions, Black Growers	All Stakeholders
	Social facilitation	Short Term	Industry Associations	Industry Associations	Community Beneficiaries	All Stakeholders
	Publicising of successful initiatives and partnerships where land reform farms have been brought back into production or production has been maintained and expanded	Immediate Term	Industry Associations	Industry Associations	Media houses, Government Constituencies	All Stakeholders
	Facilitation of access to water	Immediate Term	Industry Associations	Industry Association	DWS, DAFF, DRDLR	All stakeholders
	Facilitation of environmental compliance	Immediate Term	Industry Associations	Industry Association	Dep. Environmental Affairs	All stakeholders

RACI = Responsible, Accountable, Consulted, Informed

	STRATEGIC OBJECTIVES	Implementation Timeframe	R	A	C	I
	SO2: Increase the participation of black growers in the domestic and export markets					
	Further export market development, SA export market access and SA fruit industry export market promotion	Immediate- Long Term	Industry Associations	Industry Associations	DTI, DAFF	All Stakeholders
	Facilitation of participation of black growers in trade missions to ensure that the trade agreements have a provision and allocation of fruit from black producers	Immediate- Long Term	Industry Associations	Industry Associations	DTI, DAFF	All Stakeholders
	FPEF member Code of Conduct to mitigate risks involved and educate black growers in this respect. FPEF available to mediate where necessary	Immediate- Long Term	Industry Associations	Industry Associations	Export Agents, DAFF, PPECB, APAC	All Stakeholders
	FPEF value chain training for black growers, enhancing knowledge and skills towards improved export market access	Immediate- Long Term	Industry Associations	Industry Associations	Service Providers, Export Agents, DAFF, PPECB, APAC, black growers	All Stakeholders
	Assist black farmers to adhere to GAP ⁵	Immediate Term	Industry Associations	Industry Associations	PPECB, APAC	All Stakeholders

	STRATEGIC OBJECTIVES	Implementation Timeframe	R	A	C	I
	Facilitate access to domestic fresh produce and processing markets	Immediate Term	Industry Associations	Industry Associations	Local market agents, APAC, DAFF, NAMC	All Stakeholders
	SO3: Broaden and increase participation of black people in the value chain					
	Partnering with Government for provision of extension and other services across the value chain	Immediate Term	Industry Associations	Industry Associations	DAFF, Provincial Government Departments, DRDLR	All Stakeholders
	Facilitate provision of new equipment and infrastructure throughout the value chain	Short Term	Industry Associations	Industry Associations	Funders, Suppliers	All Stakeholders
	Encourage and support increased black shareholding in existing companies in the value chain	Immediate- Long Term	Industry Associations	Industry Associations	Industry Association Members, Potential Investors, Black Shareholders, Government	All Stakeholders
	Facilitate the absorption of interns into the industry value chain	Immediate- Long Term	Industry Associations	Industry Associations	Academic Institutions, DAFF, SETAs, NAMC, NRF, DST, All relevant Government Agencies	All Stakeholders

	STRATEGIC OBJECTIVES	Implementation Timeframe	R	A	C	I
	Encourage, promote and assist members to comply with AgriBEE Charter	Immediate Term	Industry Associations	Industry Associations	AgriBEE Chamber, NAMC, All relevant Government Agencies, Rating Agencies, Training Agencies, DAFF	All Stakeholders
SO4: Improve the quality of livelihoods of fruit industry workers						
	Partnering with Local Government and development partners to provide decent housing e.g. RDP housing	Immediate – Long Term	Industry Associations	Industry Associations	All Relevant Government Agencies	All Stakeholders
	Develop structures with initiatives that promote worker welfare, health & safety and skills development	Long Term	Industry Associations	Industry Associations	Workers' Unions	All Stakeholders
	Develop framework for community business opportunities and recreational activities	Immediate Term	Industry Associations	Industry Associations	Communities, Potential Sponsors, Potential Investors	All Stakeholders



ENABLING OBJECTIVES		Implementation Time-Frame
Activities	EO1: Strengthen collaborative arrangements within the FIVCRT to include joint planning, decision-making, resource allocation and accountability	
	Facilitation of collaboration and partnership between Historically Disadvantaged Individuals, private companies and Government	Immediate – Long Term
	EO2: Develop and implement targeted programmes to enhance the participation of black women, youth and people with disabilities along the fruit industry value chain	
	Intensification and expansion of youth empowerment through targeted and impactful training and internship programmes	Immediate – Long Term
	Inclusion in the global certification and fresh produce capacity building programmes (e.g PPECB and SIZA)	Immediate – Long Term
	Develop a programme for graduates	Immediate – Long Term
	EO3: Develop and implement a diversified financing strategy to support the implementation of the Fruit Industry Transformation Strategy	
	Leveraging of funding for black emerging farmers to upscale them to commercial farming	Immediate Term
	Leveraging funding for increased black shareholding and ownership in the value chain	Immediate – Long Term
	Enter into Memorandum of Agreements with Government and private sector to provide support on various funding and targeted funding	Immediate Term

	EO4: Develop strategic partnerships within and outside the fruit industry to implement the strategy	
	Continue with skills and capacity development (training, mentoring, internships, bursaries, graduate placement etc) to equip black individuals within the value chain (from farm to market)	Immediate- Long Term
	Pursue private partnerships to align and drive key success indicators (hectares planted, value chain participation)	Immediate Term
	Align with industry players, to leverage funding and non-funding opportunities	Immediate Term



IDENTIFIED CHALLENGES:

1. Lack of coordination amongst key stakeholders
2. Lack of participation of certain stakeholders
3. Slow pace of actions and activities
4. Efficient and effective reporting systems

RECOMMENDATIONS:

A strategic objective relating to increasing participation of women, youth and people with disabilities needs to be included after a due inclusive process has been undertaken. The rationale for this is that, whilst transformation is focused on enhancing black participation in the sector, transformation is still needed across all racial groups with respect to the inclusion of women, people with disabilities and paying deliberate attention to youth in agriculture.

WAY FORWARD:

The purpose of this strategy document is to provide clarity and certainty about the fruit industry's approach to transformation. The strategy also represents a call to action by all stakeholders (industry players, government, labour, etc.) to take active steps to contribute towards the fruit industry transformation process.

As the process of refining and implementing this strategy unfolds, Fruit SA will continue to seek the opinion and advice of relevant stakeholders and role-players. The industry will also rely on these stakeholders to assist it in monitoring and evaluating progress made in achieving the transformation of the fruit industry through the fruit industry transformation strategy.

FRUIT
South Africa





FRUIT

South Africa

CRW

NOTES





Contact Details

E-mail: admin@fruitsa.co.za or intern@fruitsa.co.za

Website: www.fruitsa.co.za

Tel: +27 12 007 1150

Address: Grain Building, Agri-Hub Office Park
477 Witherite Road, The Willows
Pretoria, 0400

Facebook: facebook.com/fruitsa.co.za

Twitter: @fruitSAfrica