

**PRESS STATEMENT BY JUSTIN CHADWICK
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R78.9 million disbursed to black citrus growers under the Economic Transformation of Black Citrus Growers Programme

In 2019 the Citrus Growers Association (CGA) launched a R307 million Economic Transformation of Black Citrus Growers (ETBCG) Programme in partnership with the Jobs Fund, Land Bank, Department of Agriculture, AGRISETA, the LIMA Rural Development Foundation and FNB. We are proud to announce that over the past 3 years just over R161.3 million of this funding has been approved and R78.9 million disbursed to support black grower citrus operations, creating 78 permanent and 625 seasonal jobs in total, and enabling 208 hectares of new trees to be planted.

The ETBCG Programme was launched following the CGA applying to the Jobs Fund for a project that would make funding and technical support available to black citrus growers for orchard establishment, expansion and rehabilitation, as well as on-farm development of various infrastructure including packhouses, bulk-water supply and irrigation systems. The Jobs Fund committed R118 million to the project, with the Land Bank agreeing to contribute an additional R116 million in loan funding. The CGA contributed R24 million, while the Department of Agriculture and AGRISETA pledged R34 million and R12 million respectively. The LIMA Rural Development Foundation was engaged as project manager and FNB was appointed the commercial-funding partner following a tender process.

What has made the ETBCG Programme unique, when compared to other transformation programmes, is the way the funding has been structured. Beneficiaries have received 36% of their funding as a pure grant, which has helped reduce their debt levels and assisted them in being able to make repayments. The remaining 64% has been structured as a blended loan at lower than prime interest rates. Another major focus area has been skills development of beneficiaries to make them self-reliant as well as training in surrounding communities so they can be employed by these farming operations.

To qualify for funding, growers have to have a minimum of 60% black ownership (of both assets and operations) as defined by the B-BBEE Act of 2013, while priority has also been given to enterprises with 100% black ownership. Most importantly, applicants also needed

to demonstrate that they would create permanent and seasonal job opportunities with the development funding.

While the ETBCG Programme was launched in 2020, the COVID-19 pandemic impacted its roll-out, as well as a number of new challenges faced by the local citrus industry over the past three years, which has threatened the sustainability and profitability of farming operations. These include a major hike in farming input costs and freight rates as well as load shedding and operational issues at ports.

Despite these challenges, we are pleased that the programme has disbursed R78.9 million to eight successful black farming operations across the country, with these funds being used towards access roads, land preparation, irrigation infrastructure, farm equipment, vehicles, fencing, packhouse equipment, a de-greening room, generators, a solar system, and a substation.

Farmer Buyiswa Ndyenga from Sikhula Sonke Enterprises near Addo in the Eastern Cape says the programme helped considerably on their five farms. "The money came at the right time," she said. "The price of everything went up and citrus farmers were struggling. But the Programme's money helped us plant new orchards and erect a 9 km fence to stop the stealing of fruit."

Luthando Farms near Kirkwood in the Eastern Cape was also a beneficiary of the programme. Farmer Nokwanele Mzamo says a lot of work still lies ahead: "I am passionate about creating jobs. Because of the fund, it is easier to create jobs, and that feels good. Now we need to sustain these jobs."

The CGA is extremely proud to be part of this ground-breaking programme, which has not only provided a major leg-up for black growers, who usually struggle to obtain loan funding and financial assistance, but has also focused on transferring skills to these farmers as well as creating new jobs in surrounding communities.

The local industry has predicted that citrus exports could grow to 260 million (15 kg) cartons annually by 2032 if all role-players work together. With transformation of the industry a key priority over the next ten years, a target for black citrus growers' contribution towards the overall 260 million vision has also been set, namely 50 million cartons annually.

We believe the ETBCG Programme will contribute towards achieving this goal by assisting and supporting growers to expand their operations and export their produce to key markets

across the world. The deployment of funds under the programme is expected to continue until March 2024, which will be followed by a monitoring period that will take place for another two years.

The CGA would like to thank all the partners that have made the programme possible: the Jobs Fund, Land Bank, Department of Agriculture, AGRISETA, the LIMA Rural Development Foundation and FNB. We look forward to the ETBCG Programme continuing to support the increased participation of black citrus growers in the industry and in this way, contribute towards meaningful and sustainable transformation within the agricultural sector.

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