

## Citrus industry applies for increased citrus export levy

July 14, 2020

The Citrus Growers' Association of Southern Africa (CGA) has made an application through the National Agricultural Marketing Council (NAMC) to the Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, for the approval of a substantially increased statutory citrus export levy for the next four-year cycle (from 2021 to 2024).

The proposed new levy represents a 120% increase over the current cycle ending in 2020 and translates to an estimated investment of R1 billion over the four-year period. The levy has been in place since 2004 and will continue to be administered by the CGA, which represents around 1 250 citrus growers and almost 400 packhouses. The levy is an investment in ensuring the long-term profitability and competitiveness of the industry.

### **Most farmers are on board**

Details of the proposed new levy were presented to citrus growers across the region through a series of roadshows at the beginning of the year. This culminated in growers being given the opportunity to vote for or against the levy increase. Votes in favour of the proposal won.

Cornel van der Merwe, Chairman of CGA, was pleased with the level of support from citrus growers: "This vote of confidence in the work of the Association, and particularly the focus on research and transformation bodes well for the future of the citrus industry in South Africa. Industry leaders in the past recognised that research is the foundation of our sector, and this continues to be the case. The industry has been engaged in transformation activities that will now be given a boost with this new investment".

### **Research and development is key**

Notably, 60% of the new levy will be allocated to the CGA subsidiary company Citrus Research International (CRI) to provide research and technical services to the citrus industry. This is critical if the sector is to remain competitive in international markets and will include the implementation of a biosecurity plan to prevent or reduce the impact of disease or pests, strengthening phytosanitary market access and improving the efficiency of production.

Another key focus area of the CGA is supporting the development of black growers and their meaningful and lasting participation in the industry. Some 20% of the proposed new levy will be allocated to the CGA Grower Development Company (CGA GDC) and the Citrus Academy to facilitate access to technical and business management knowledge and services for black citrus growers; facilitate access to national, regional and international markets for black growers; facilitate access to grant and loan funding for black citrus enterprises and providing skills development and capacity building workshops to black citrus growers.

The remaining 20% of the proposed new levy will be allocated to a number of other programmes including gaining, retaining and optimising market access (which will include achieving wider market access to the USA, China and India and gaining new markets including the Philippines and Vietnam); assisting grower profitability and sustainability and working with government and other stakeholders to improve national transport infrastructure and logistics capacity, including operations at the country's ports.

### **Comments on levy welcomed**

The NAMC has now published the proposed new levy and has invited comments from directly affected groups in the citrus industry by 31 July 2020, before the Council makes its recommendation to the Minister in this regard. Interested and affected parties who would like to submit comments can visit <https://www.namc.co.za> for more details.

The citrus sector is on track to export more than 140 million cartons of citrus fruit to over 100 countries in 2020. This is a 13% increase when compared to 2019, which generated R20 billion

in export revenue and sustained 120 000 jobs. The new citrus levy will assist the industry in achieving its objective of growing exports by a further 500 000 tons over the next three to five years, thereby contributing further towards job creation and inclusive growth in the country. –  
*Press release, Citrus Growers' Association*

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