

New citrus export levy will see major investment

January 5, 2021

The Citrus Growers' Association of Southern Africa (CGA) welcomes the [gazetting of the new statutory citrus export levy](#) by the minister of agriculture, land reform and rural development, Thoko Didiza. Approximately 1 250 citrus growers will fund the new levy from 2021 to 2024. It will ensure both the long-term competitiveness of the industry and the sustainable growth of black-owned citrus enterprises within the sector.

The new citrus export levy represents a 120% increase from the previous one and will translate into an estimated R1 billion investment by local growers into the sector over the next four years. The levy will continue to be administered by the CGA.

Transformation initiatives

A key funding area ensures greater transformation within the industry. Therefore 20% of the new citrus export levy will be allocated to the development of black citrus growers, as well as their meaningful and lasting participation in the sector. This funding will be invested in the CGA's recently finalised four-year Transformation Plan (2021 to 2024), which will be implemented through the association's Grower Development Company and the Citrus Academy.

The plan will focus on the following key areas:

- The provision of enterprise and supplier development programmes to black growers.
- The provision of skills development programmes to black growers.
- The roll-out of socio-economic development programmes in rural communities and ensuring the sustainable growth of black-owned enterprises, as well as greater representation of black growers in industry leadership positions.

Research and development

With the citrus industry expected to increase its exports by over 500 000 tons over the next three to five years, investment in research and development is critical to ensure the sector remains competitive in overseas markets. For this reason, 60% of the new citrus export levy will be allocated to Citrus Research International

(CRI) to provide research and technical services to growers. This is a pre-requisite for gaining, retaining, and optimising market access, which is a key priority for the industry over the short, medium, and long term.

One of the main challenges preventing increased [market access](#) is the stringent phytosanitary requirements some countries implement. The new citrus levy will help the CRI enhance the phytosanitary assistance it offers growers, including providing counterfoils for unjustified regulatory disruptions and changing regulations.

The remaining 20% of the new citrus export levy will be allocated to several other programmes. These include working with government and other stakeholders to improve national transport infrastructure and logistics capacity, including the country's rail and port operations.

With most citrus growers having voted in favour of the levy increase, we are pleased that Minister Didiza has given the green light to implement the new levy as of January this year.

The industry expects another record-breaking export season in 2021, despite the challenges faced by the COVID-19 pandemic and national lockdown. We are confident that the new levy will enable the industry to grow its market share even further and as a result, create even more jobs. Moreover, it will bring in increased revenue for the country's economy over the next four years. – *Press release, Citrus Growers' Association*

