

Province makes sizeable contribution to SA citrus crop

The democratic South Africa has provided us with opportunity to address poverty, inequality and underdevelopment, and build a bright future for all. We have developed the National Development Plan, Vision 2030, to guide us to achieve this objective. This sets economic growth and land transformation targets, and targets the creation of one million new jobs in the agricultural sector.



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During the period of 1994 to 2012, the real gross domestic product (GDP) contribution by the agricultural sector increased by 29%. However, according to GDP statistics released by Stats SA on March 7, the South African economy grew by 0.3% last year.

Most provinces recorded a positive economic growth in 2015 as compared to 2014. However, this development has fallen short of the demand for employment and economic opportunity, especially for youth and the increasing number of graduates.

Contribution of the citrus industry

The citrus industry is based on irrigated land, largely protected from the ravages of drought. This, together with the export market, now at 115 million cartons per year, has seen the gross income from citrus reach R6.8-billion per year from production of 62,184ha and contributing 74,000 jobs.

Currently, the major citrus export destinations for South African citrus are central Europe (37%), the Middle East (20%), followed by Russia, south-east Asia, southern Europe, the United Kingdom, China, Canada and the Far East.

South Africa citrus imports are minimal - 80% of this comes from Zimbabwe and 15% from Israel.

Eastern Cape, the powerhouse of the Southern African citrus industry

Citrus in South Africa is the second largest fruit crop after grapes in terms of production volumes. The Eastern Cape, being the powerhouse of the Southern African citrus industry, accounts for 27% of citrus production in the country.

The Eastern Cape boasts the most progressive and successful black citrus growers in the country, accounting for more than a third of South Africa's exports and is home to 50% of South African lemons.

The citrus industry development is spearheaded by the Citrus Growers Association and the transformation in the sector is led by a dedicated unit, the Grower Development Company. Through the levies from producers, the Citrus Growers Association and the Grower Development Company transformation is targeted by supporting the development of the current 118 black citrus producers in the country and increasing this to create equity in the sub-sector across the entire citrus value chain.

Within the NDP target to increase irrigated production areas by 500,000ha by 2030, the development agenda for the citrus sub-sector will contribute to achieving this target.

The Eastern Cape is the rapidly rising star in the South African citrus industry. After the 46% of South African citrus production from Limpopo, the 27% that is produced in the Eastern Cape comes from 17,592ha spread across the irrigation areas in the Sundays and Gamtoos river valleys in Sarah Baartman District, and the Kat and Keiskamma river valleys in the Amatole District.

The citrus sub-sector in the province provides 19,700 jobs in the production and 10,000 jobs in the packing, processing, and marketing of the fruit. The industry is the mainstay of the rural economy in the respective production areas and provides the economic base for significant upstream and downstream jobs and business opportunity.

The Eastern Cape produces 60% of the lemons, 30% of the soft citrus, 26% of the oranges and 3% of the grapefruit exported from the country.

Rate of transformation

Government transformation initiatives and support programmes in cooperation with the Grower Development Company of the industry has contributed to a 25% increase in the volume of citrus marketed formally from black producers since 2010.

The increase of 272% over this period from black producers in the Eastern Cape highlights the potential for expansion in environmentally well-suited areas for citrus in the province.

However, the fact that currently only 1.7% of formally marketed citrus is produced by black producers remains an indictment on the rate of transformation in the industry and is a call for a step-change in the transformation agenda.

Priority agricultural economic transformation strategy

This step-change is to be addressed in the Eastern Cape through the implementation of a priority agricultural economic transformation strategy for the province.

This strategy seeks to position the Eastern Cape to become a food basket for the country and for agricultural production to supply the basis for a re-industrialisation in the product value chains that will open opportunity for young entrepreneurs and increased employment in the province.

The strategy set out the steps to enable land reform farmers and rural communities, that is targeted smallholder/subsistence and communal farmers, to derive optimal economic value out of their agricultural activity through customised government-supported partnerships with organised commercial partners. These smallholder/communal and commercial partnerships will invest alongside land reform farmers, clustered rural communities and the government to expand agricultural economic activities, technology capabilities, training, employment opportunities and general growth in the sector.

The roll-out of the strategy for citrus in the Eastern Cape for 2017-18 encompasses an investment of R9-million from the government. This, together with the investment from the Citrus Growers Association Grower Development Company, will target the expansion of 50ha new citrus trees and support 100ha of pre-bearing trees, benefiting 32 black producers. The programmes will provide training and capacity development for 36 black farmers, and contribute to the creation of 75 new employment opportunities and an increase, over time, in the capacity for export production by 820,000 cartons.

In 2016-17 the department budgeted an amount of R19.1-million and a further investment of R22.4-million (2017-18 financial year) has been set aside for completion of the state-of-the-art Ripplemead citrus packshed in Ngqushwa that will provide export-compliant processing and packaging for local black farmers. This will further enable expansion in the area of some 400ha of citrus plantation along the Keiskamma River over the ensuing five years.

The water allocation reserved for transformation through the expansion of citrus by black farmers in the Sundays River targets the expansion by 2,000ha over this period. Water right allocations of 750ha have already been granted by the Department of Water and Sanitation.

Attracting the youth

Through strong partnerships and cooperation with farmers, the citrus industry can make a significant contribution to achieving the development targets set in the national development plan.

As the government we need to get young people into agriculture to make sure that people do not only get involved in agriculture when they retire. We want them while they are still young and energetic.

The provincial government has set aside R20-million for 2017-18 to support youth already working in agriculture. Among others, this funding will cater for agro-processing, which citrus is part of.

As President Jacob Zuma pronounced during the state of the nation address, we are emphasising unity in action, believing that we are moving South Africa forward.

Mlibo Qoboshiyane is the Eastern Cape MEC for Rural Development and Agrarian Reform. He delivered this speech at the Citrus Summit in Port Elizabeth last week.

Source: Herald