INTEGRATION ESSENTIAL FOR TRANSFORMATION

Integrated approach in the Development of Emerging Citrus Farmers

INTRODUCTION
Since 1994, the South African Department of Agriculture has emphasised the need to promote small-scale farming and emergent sector development because they offer a possible longterm solution to the problems of unemployment and rural neglect. The creation of Local Government Structures, the review of Agriculture and Marketing Acts and the introduction of the Land Reform Act are part of the constructive processes that were followed to support the noble idea of the development of small and emerging farmers.

The commercial and development banks have also amended their policies in order to improve access to finance. The development of Skills Development and Land Reform Acts was aimed at improving access to technical and farm management training and land of high agricultural potential and with good market access.

In addition, the fruit industry (which includes citrus) have developed the fruit industry plan (FIP), which is now being discussed by various interested groupings including the government. The document is intended to enhance the implementation of the strategic objectives of the National Department of Agriculture.

In general, the development of emerging citrus farmers has two critical points that need considerate promotion, which should be undertaken by local municipalities; and the development of the emerging citrus industry which includes the supply of planting material, and the transfer knowledge and technology, information on market access. The role of CGA is to facilitate the identification of bankable projects and development of business plans through its profession associates.

INTEGRATED APPROACH
The experience of the CGA over the last two years has shown that one organisation is enough to provide assistance in developing the emerging sector. It is imperative to adopt an integrated approach.

It has also become apparent that assisting the emerging sector with the view to improving competitiveness should have clear benefits for the beneficiaries. The establishment of the emerging sector should have a long-term impact on the socio-economic objectives of the country.

CGA is not an operational body and therefore cannot be involved in the day-to-day management of projects - this should be the responsibility of people who have been entrusted with the responsibilities of small-scale farmer development. The role of CGA will be to assist the development of the required expertise related to citrus. The most appropriate level of CGA intervention is likely to be at local municipality level where project implementation takes place.

The partnerships or joint ventures approach seem to be the best approach in terms of obligations. The local government is expected to establish management teams that work with the citrus experts to ensure the successful implementation of the projects.

The structure given below attempts to show citrus development could be linked in situativ where there are government interventions or involvements.

FINANCIAL ASSISTANCE
The majority of the emerging farmers are currently experiencing problems with lack of financial assistance and that could be attributed to a number of factors. Lubbe, in his report in 1998, highlighted that 20% of export volumes were black owned. Unfortunately, due to lack of financial assistance, the major
of those farms, situated in Limpopo and Eastern Cape, are no longer exporting. The programme of Land Reform has brought in quite a number of projects but most are suffering the same problem of lack of financial assistance.

In situations where projects were able to access finance, it became apparent that financial assistance alone is not sufficient. The emerging farmers are expected to take decisions as entrepreneurs but their lack of knowledge and skills is a problem. It is in this regard that a mentoring programme is being promoted.

The inheritance by the emerging sector in terms of size of the farms does little to help with regard to any competitive advantage in the markets. The cost of inputs, services for project management and transporting of products to the markets in relation to economies of scale does not make the financial assistance viable. The emerging sector has the added burden of ensuring that their packing facilities are EU accredited. This is a critical area where the citrus products are intended for the export market. The lack of such facilities impacts negatively on access to lucrative overseas markets.

Various models have been adopted to develop emerging citrus farmers but all seem to have the problem, as mentioned above, of not having enough financial assistance.

An integrated approach is needed to help in central planning and prioritisation of projects which would lead to proper allocation of financial assistance.

FUTURE OF CITRUS DEVELOPMENT

Emerging citrus development is disintegrated and there is a lack of coordination of citrus activities within the provinces which does not impact positively on the economic objectives of the country. There is a need to conduct an assessment of development models that are currently being used to identify those which would make financial assistance viable.

Although the provinces are faced with challenges of prioritising the commodities for development of the emerging sector, integrating financial services with other services could help to eliminate some of the constraints facing the farmers.