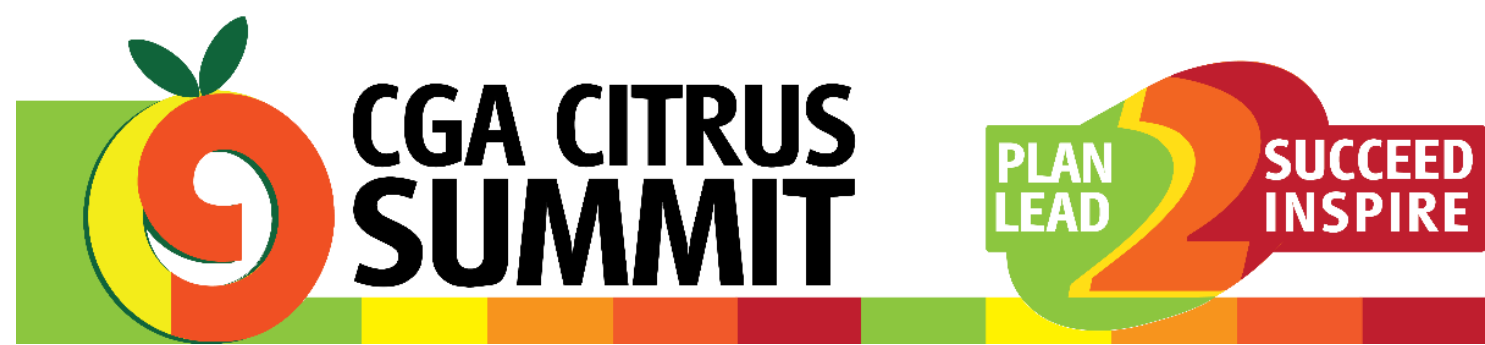


Session 2:
Sustainable Development



Citrus Growers Response to Grower Development

Mono Mashaba
Chairman
CGA Grower Development Company



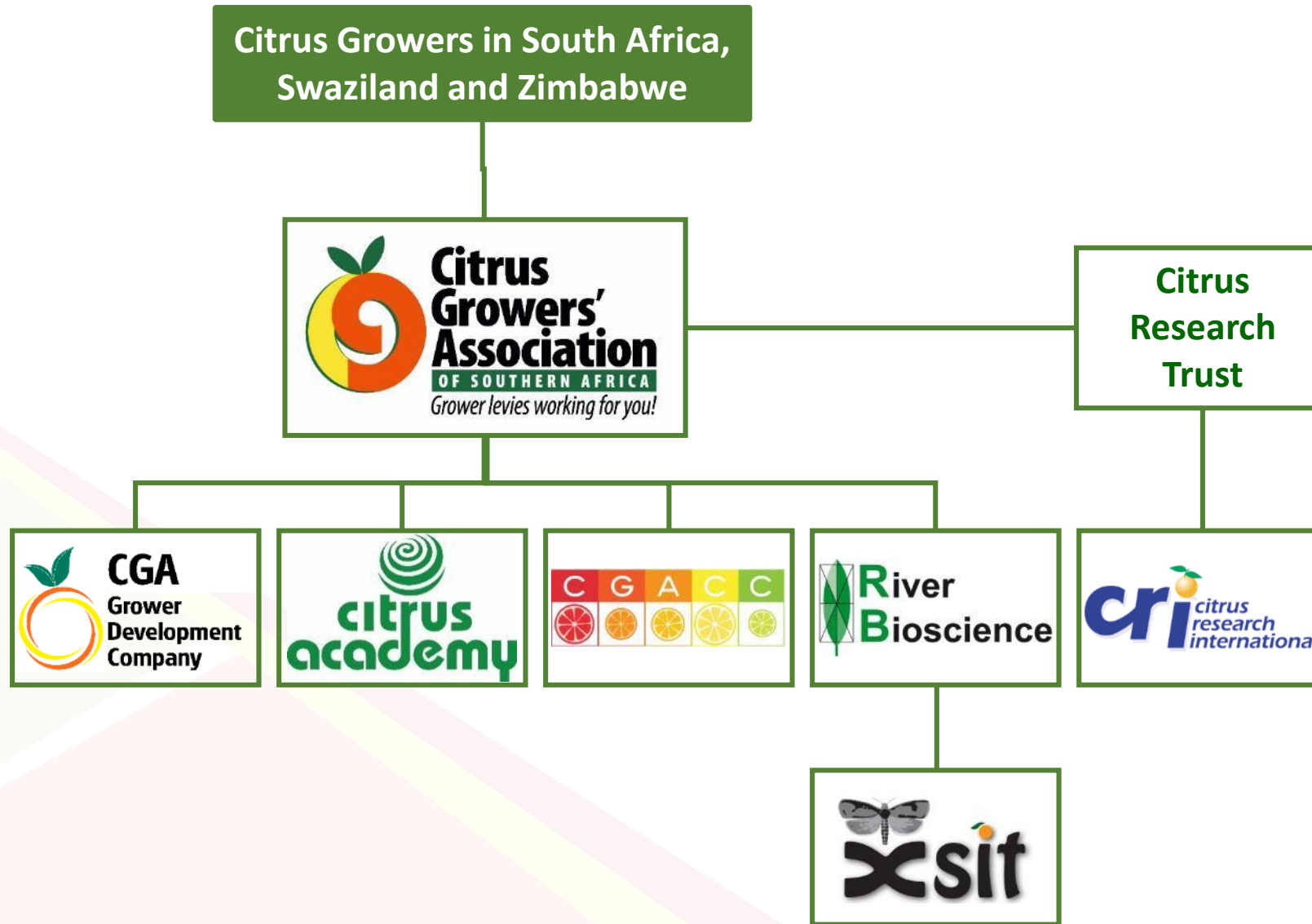
Outline

- Transformation Realities
- CGA response
- GDC Clientele per Province
- GDC Rationale: Situational Analysis
- GDC Mission
- Strategic Goals
- Five Focus Areas
- Conclusions

Transformation Challenges: Realities

- Agriculture sector transformation including in the citrus industry is very complex in relation to the ownership and changes in boardrooms
- Current achievements in regard to the transformation of industry still vary depending on interpretation
- Challenges still remains on individually or family owned enterprises on how to transform
- Unfortunately, sustainable and meaningful transformation will not be realised with the strategy of developing side by side rather than developing together
- Reality is that new entrants are not capacitated sufficiently to take advantage of the policies and programmes directed to benefit them
- New entrants appearing as victims in the transformation process rather than players

CGA Group Company Structure



Black Growers per Province

Province	Enterprises	Citrus Planting	Average Enterprise Size
Limpopo	44	2 385ha	79ha
Eastern Cape	36	1 927ha	54ha
KwaZulu-Natal	17	1 337ha	54ha
Mpumalanga	11	749ha	68ha
Gauteng / North-West	5	130ha	26ha
Western Cape	7	216ha	31ha
Northern Cape	3	577ha	192ha
Total	123	7 320ha	

CGA GDC Rationale – Situational Analysis Findings

- Growers received little or no information on orchards and plantings at time of farm handover
- Minority of growers export
- Produce and sell on to pack-houses end of involvement
- Majority geared towards local market
- Processing – citrus quality issue
- Feedback issues with their exporters and marketers
- No control over market information

CGA GDC Rationale – Situational Analysis Findings

- Lack of skill and expertise to manage enterprise
- Poor governance structures where group of growers are beneficiaries
- Conflict among beneficiaries in the management of projects
- Lack of government support in regard to extension services
- Misdirected government support
- Lack of government support in regard to funding
- Land leases / ownership a very big challenge
- Strategic partnerships / equity schemes that are bleeding beneficiaries

CGA GDC Strategic Goals

- Build a financially sustainable and high performing organisation to provide high level support
- Enhance growers technical production capability to become successful, profitable and to achieve financial sustainability
- Facilitate national and international markets access
- Provide business development and management support services to growers to empower them to operate effective and efficient citrus enterprises
- Contribute to CGA's transformation agenda and government priorities with respect to empowering black growers, achieving food security and economic growth

Focus Area 1: Production Infrastructure and Technical Support

- Resource utilisation
- Production equipment and machinery utilisation
- Production infrastructure development
- Extension services
- Mentorship
- Study groups

Focus Area 2: Facilitate Business Management Support

Skills development in the following areas:

- Management – Financials and Operations
- Human Resources Management
- Compliance standards
- Transformational change
- Governance

Focus Area 3: Facilitate Access to Funding

- Facilitate development of business plans
- Engage government agencies mandated to develop agriculture enterprises – DAFF, PDAs, Ministry of Small Business Development, DTI etc.
- Engage DFIs and other relevant funders e.g. Land Bank, SEFA, IDC, NEF, etc.
- Engagement with commercial banks, private investors and the industry
- Engagement with international development agencies

Focus Area 4: Facilitate Access to Markets

- Assist growers in accessing information on domestic and export markets
- Engage with relevant government agencies to support growers market access initiatives
- Conduct marketing workshops to increase growers' understanding of citrus marketing
- Expose growers to different marketing platforms through participation in exhibitions
- Empower growers to ensure that they enter into favourable arrangements with exporting agents

Focus Area 5: Social Facilitation

- Facilitate the alignment of beneficiaries with project goals and business management
 - Understanding of business models
 - Governance
 - Communication
- Engage stakeholders in CPA owned projects to empower them to make informed decisions
- Promote increased participation of woman, youth and disabled persons in the citrus value chain.

Conclusions

- Transformation of the industry through empowerment of black growers is not going to be easy due to limited resources.
- We need a total paradigm shift from growers, government agencies and other stakeholders
- The five strategic goals will be achieved if partnerships and collaborations can be consolidated with all committed stakeholders partners. Paradigm shift
- We will ensure closer collaboration on the funding and implementation of our corporate plan
- Will continue to encourage the development agencies including departments and agencies to approach transformation in a commodity-based approach – funding, extension, and capacity development



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Thank you

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